

The NATIONAL UNDERWRITER

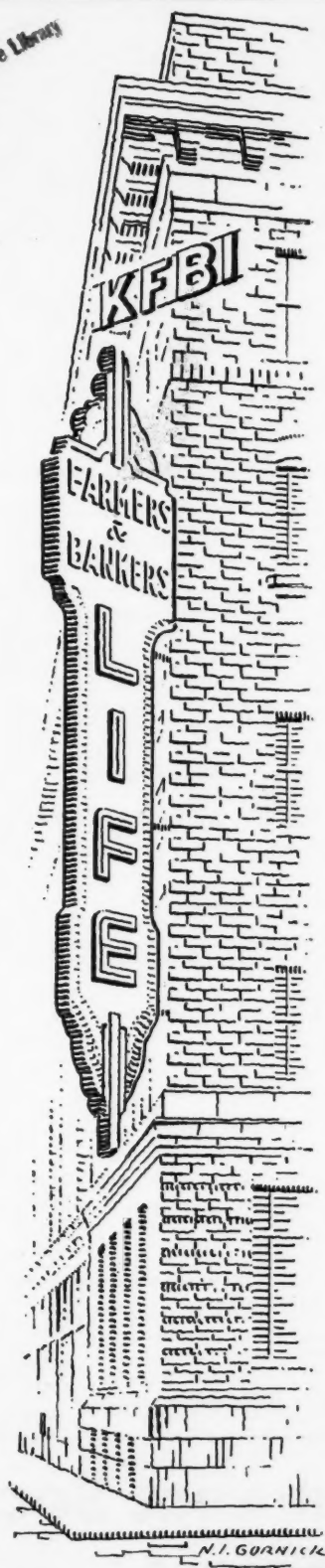
Life Insurance Edition

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Insurance Library



PROTECTION CORNER

welcomes Officers, Trustees,
National Council members
and all other members of the
National Association of Life
Underwriters attending the
Association's mid-year meet-
ing at Wichita, and hopes
your visit will be most
pleasant and profitable.

THE FARMERS & BANKERS LIFE INSURANCE COMPANY

FIRST AND MARKET STREETS

WICHITA, KANSAS

RADIO STATION KFBI-1050 KILOCYCLES

FRIDAY, MARCH 28, 1941

The Equitable's Report "YOUR POLICY" shows \$561,290 A Day paid out in Benefits in 1940



HERE is a report that tells a human interest story of life insurance protection and service in action—a story of benefits flowing to American families, supporting widows and children, sending sons and daughters to college, clearing homes of debt and providing security for old age. Beyond these contributions to individual well-being, it is a story of importance to the economic progress of the nation—of assets constructively at work in industry, agriculture and home financing in every State of the Union.

The figures which the report presents are The Equitable's but the story it tells is the story of life insurance at work. Here you will find information that every policyholder will want to have—the answers to such questions as—

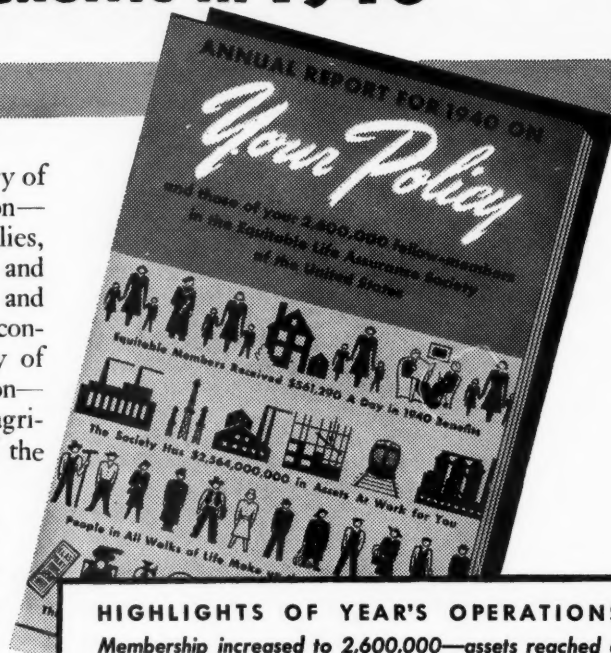
- ★ What happens to the dollars people pay for life insurance?
- ★ How can your existing life insurance be made of greater value to you?
- ★ What are the principal factors in life insurance costs?
- ★ How have insurance benefits and services been broadened to give you more for your money?
- ★ What is the relation of life insurance funds to national defense?

Because last year's edition of "Your Policy" was found to be of interest to many non-policyholders, including individuals, business organizations, colleges, schools and libraries, The Equitable has arranged for a limited number of copies to meet this public demand. A copy will be reserved for you upon request to any Equitable agency or the Home Office of the Society.

"Your Policy" for 1940 is being sent by mail to every individual policyholder of the Society.

Thomas T. Parkerson

P R E S I D E N T



HIGHLIGHTS OF YEAR'S OPERATIONS

Membership increased to 2,600,000—assets reached a total of \$2,564,400,000, gain in year of \$162,500,000—benefits to policyholders and beneficiaries \$205,432,000 or \$561,290 a day—44% of 1940 death claims to be paid on planned income or installment basis—mortality experience favorable—earnings rate on assets 3.27%—65,000 people joined Society, 38,000 members increased their insurance—number of workers enjoying group protection rose to 1,330,000—lapse and surrender rate lowest in 20 years—total insurance in force increased to \$7,136,920,642.

SUMMARY OF ANNUAL STATEMENT

	December 31, 1940
ASSETS	
Cash*	\$ 285,508,534
U. S. Government Obligations†	222,619,036
Public Utility Bonds	475,078,157
Railroad Bonds†	410,654,430
Railroad Equipment Obligations	46,542,585
Industrial Bonds	259,887,483
Other Bonds†	60,476,866
Preferred and Guaranteed Stocks	48,560,059
Common Stocks	308,103
Mortgage Loans	327,952,152
Real Estate	154,703,074
Loans on Society's Policies	216,989,036
Interest and rents due, premiums in process of collection and other items	55,186,665
Total Admitted Assets	\$2,564,466,180
RESERVES AND OTHER LIABILITIES	
Reserves for policy and contract liabilities	\$2,391,105,983
Policyholders' prepaid premiums and unpaid dividends	23,700,385
Reserve for taxes	3,935,500
Unearned interest, expenses accrued and other liabilities	5,111,782
Funds allocated for dividends in 1941	33,508,570
Unassigned funds (surplus)	99,793,960
Other contingency reserves	7,310,000
Total Liabilities and Reserves	\$2,564,466,180

*Including time and fixed deposits of \$223,414.

†Including \$5,913,944 on deposit with public authorities.

THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES

Home Office • 393 Seventh Avenue • New York, N. Y.

The NATIONAL UNDERWRITER

Forty-fifth Year—No. 13

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, MARCH 28, 1941

\$3.00 Year, 15 Cents a Copy

Appeasement Is Favored on U. S. Wage and Hour Law

American Life Convention Man Makes Exhaustive Study of Insurance Status

A policy of appeasement on the part of insurance companies towards the wage and hour division of the department of labor was advocated by Victor A. Lutnicki, assistant counsel of the American Life Convention, in addressing the mid-year convention of the National Association of Mutual Insurance Companies in Chicago Wednesday. Mr. Lutnicki's paper was an exhaustive treatment of the subject and answers just about every question that an insurance executive would ask. It is the first completely satisfactory statement of the situation as it relates to insurance that has appeared.

The speaker recalled that the question of the applicability of the federal wage and hour law to insurance companies first arose when the wage and hour division last year announced that the First National Bank of Boston had voluntarily made restitution of more than \$13,000 to certain employees for unpaid overtime. Under the leadership of the American Bankers Association commercial and savings banks had been resisting the application of this law to their employees, their first argument being that bank employees are not engaged in commerce.

Labor Board Cases

Just after the National Labor Relations Board had brought action against the American National Trust & Savings Association proceedings were instituted against John Hancock Mutual Life and the jurisdictional findings in both cases were strikingly similar.

Insurance company executives began to wonder whether the NLRB parallel was to be followed in the case of the wage and hour law. Apparently so, for shortly wage and hour inspectors began to appear in insurance company offices in such fashion as to indicate that a program was under way.

Mr. Lutnicki asserted that the wage and hour division had carefully considered and then reconsidered the application of the act to insurers and reached the conclusion that their employees are covered. Inspections were to be made whenever complaints were filed.

Discounts Paul vs. Virginia

The wage and hour division, according to Mr. Lutnicki, apparently has no kind regard for the famous landmark of Paul vs. Virginia. "Like the labor board," he said, "they are prepared to do fancy figure eights around Paul vs. Virginia. But, as a matter of fact they are 'loaded for bar' and are anxious to

(CONTINUED ON PAGE 32)

Far Cry from St...ned N.A.L.U. Rally to MidYear Sessions of Decade Ago

It's a far cry from the three-day st...ned convention of the National Association of Life Underwriters in Wichita this week to the type of mid-year gathering of the old executive committee that was held in Chicago or New York a decade ago.

In those days the meeting was always held on a Saturday. The trustees would meet the day before in executive session and then the executive committee (now the national council) would have a full day of listening to committee reports. Interest was usually fairly keen during the morning period but in the late afternoon the proceedings would become extremely dull and members would filter away one by one to make trains and by the end of the afternoon there would not be more than about 25 in the room.

Each of the committee chairmen would either present a report in person or he would have submitted a written report which would be read to the group. Some of these, of course, were important and bore on live topics. However, many of them consisted of a rather long recital of why the committee had nothing to report at that particular time. The committee chairman might consume half an hour explaining that he had called a meeting for Dec. 2, but one of the members got sick and couldn't show up so it was postponed, etc., etc.

Animation at Cincinnati

As we recall it, the meeting first began to show some animation at Cincinnati some seven or eight years ago. That represented a break with the custom of always holding the meeting either in Chicago or New York, usually Chicago. The Cincinnatians put on a luncheon for the group and there were a number of talks, including a particularly good one by Holgar J. Johnson, now president of the Institute of Life Insurance. That added a touch of life to the meeting and from then on each year the gathering blossomed more abundantly until now there is a fairly well defined pattern.

As a matter of fact, the tendency seems to be to do what has been done at the annual meetings and that is to introduce all sorts of divisional sessions. The annual meetings have become tremendously complicated with dozens of committees, subordinate and affiliated units holding dinner sessions, breakfast sessions, morning sessions, lunches and even mid-night sessions.

Avoiding Complications

Some observers believe that it would be a mistake to carry the complication of the mid-year meeting much further. One of the virtues of the mid-year meeting has been that it has given an opportunity for increasing of fellowship and for much informal contact, because those participating are not under so much of a strain to be at so many places at the same time.

The underlying pattern of the mid-year meeting has now come to be Thursday devoted to the executive session of the trustees and a full day for the managers and general agents' section, Friday the meeting of the national council,

Friday evening the social occasion with the local hosts spreading themselves, and Saturday the big national sales congress comparable to one of the regular convention sessions at the annual meeting.

The national council meeting has been completely transformed into a sparkling session. The members sit at tables, in legislative fashion, grouped around their appropriate state placards. The reports of committees have all been prepared in advance and are placed at each one's seat and they can be studied at leisure and without punishment to the ear drums. The program for the day has been worked out in such a way as to hold the attention at all times. The reports that are presented verbally are the ones in which there is capital interest and at all times discussion from the floor is encouraged.

Contributes to Value

The development of the mid-year meeting has contributed greatly to the value of the association. It has enabled medium sized cities that could not accommodate an annual meeting, to be hosts and it has given the rank and file in that vicinity a chance to form first hand impressions of the organization and to get acquainted with those who are making the news of the business from coast to coast.

It also helps to give the leaders in the business a better understanding of field conditions because of this contact with a wider cross section.

The increase in interest and the improvement in the mid-year meetings have paralleled the awakening of intense interest in what might be termed the political aspects of the association—elections of officers and trustees and choice of convention city. In the old days when these matters were handled with dignity and elegance and it was considered bad taste for anyone to aspire to high office in the association, the meetings were not very well attended and they were dull. Now that campaigning has come to be respectable, the mid-year meeting has come to be the time when the campaigns in behalf of various candidates and in behalf of the convention city for the following year and even for the mid-year meeting place get into high gear. The nominating committee is elected at the mid-year meeting and the campaign managers are always interested in that situation and they do some maneuvering. Delegations appear on the scene to button-hole members of the national council and lay the ground work for the big day in September. Those interested in landing the convention for the next year appear with their banners and chamber of commerce literature, buttons for lapels and accordion players add a lot of color to the day.

Probably at no previous mid-year meeting have the local people been so well organized and so enthusiastic. The Wichita people, including the local companies, have been pointing for this day for several months and from all advance indications, it will set a new high mark insofar as such gatherings are concerned.

Seek to Revive U. S. Emergency Tax on Insurers

Debate Whether Base Shall Be Premiums or Reserves—Recall '17 Levy

WASHINGTON — Experts of the Treasury department are now giving their attention to the idea of reviving the federal tax on insurance companies that was imposed as an emergency measure during the previous war but that was removed in 1920. Individual conferences have been held with a number of insurance legislative representatives and the expectation now is that a bill to impose a federal tax upon insurance companies will be introduced in Congress within a month.

May Be Based on Reserves

During the previous war the tax consisted of a 2 percent levy on premiums. The suggestion has been advanced that the proposed new federal tax be based, instead, upon insurance reserves and it is this question in particular that has been discussed with insurance representatives. Each insurance company and each classification of company is likely to have a different opinion, depending upon whether a tax on reserves or on premiums would be more severe.

Talk of 4 Percent Tax

Some of the experts, it is understood, are now talking in terms of a 4 percent premium tax but some observers believe that that suggestion is advanced pretty largely for bargaining purposes and that in the end, the bill will provide for a 2 percent levy. Inasmuch as the precedent exists from the world war, observers believe that if the Treasury insists upon such a tax that it will become the law. However, some insurance observers feel that times may have changed and with the pyramided debt structure, such a tax may not be as easy to lift as it was in 1920 and that it may eventually in a permanent federal tax.

The tax, it is understood, would be imposed upon the insurance companies, rather than on the policyholders directly and it would not be permissible for the insurer to recoup from its customers by means of a surcharge. Of course, it would be a factor that would have a bearing on rates and dividends in the long run.

Savings Bank Insurance Threat Is Now Removed

The threat of savings bank life insurance in Maine has now been removed. The bill was reported "ought not to pass" and has been killed. The vote of the banks and banking committee, which heard the bill, was unanimous.

In Force Total of \$126,183,308,637 Represents All Time High

Figures in right hand column include industrial and group life written.

Figures in right hand column include industrial and group if written.			Rank in 1941 1940		Insurance in Force		Rank in 1941 1940		Insurance in Force		Rank in 1941 1940		Insurance in Force		Rank in 1941 1940		Insurance in Force	
1	1	Metropolitan	23,923,784,178	68	68	Pan American	8,614,055	175	175	Supreme Liberty	46,530,530	215	215	Globe Life, Ill.	3,409,003	23,242,912	23,242,912	
2	2	Prudential	18,628,243,738	69	69	Central Life, Ia.	170,496,709	138	148	Ind.	312,200	216	216	Kentucky Cen. L. & A.	22,218,382	23,242,912	23,242,912	
3	3	Equitable	7,136,920,642	70	71	United Benefit	170,156,568	139	140	Carolina Life	49,758,181	217	217	Union Life	22,218,382	23,242,912	23,242,912	
4	4	New York Life	6,895,182,749	71	70	Commonwealth, Ky.	169,027,440	140	138	Atlanta Life	47,100,437	218	218	Columbian Mutual	21,763,211	23,242,912	23,242,912	
5	5	Travelers	6,218,568,525	72	72	Ind.	85,552,246	141	142	Ind.	47,100,437	219	219	Amer. Reserve, Neb.	20,657,222	23,242,912	23,242,912	
6	6	John Hancock	4,613,818,062	73	81	Grp.	891,532	142	143	Philadelphia Life	131,250	220	220	Pilgrim Health & Life	18,929,423	23,242,912	23,242,912	
7	7	Aetna	4,347,658,506	74	73	North Amer. Reassur.	157,243,300	143	143	Grp.	2,664,375	221	221	Republic Life, Okla.	16,599,118	23,242,912	23,242,912	
8	8	Northwestern Mut.	3,948,732,732	75	80	Peoples, D. C.	155,000,520	144	143	Montreal, Can.	54,221,998	222	222	Grp.	46,500	23,242,912	23,242,912	
9	9	Mutual Life, N. Y.	3,705,911,798	76	76	Ind.	128,998,072	145	144	Reserve Loan, Tex.	53,812,774	223	223	Pacific National	585,000	23,242,912	23,242,912	
10	10	Sun Life, Can.	2,963,708,831	77	79	Country Life	163,510,105	146	149	National Guardian	52,707,500	224	224	Standard, Pa.	19,599,777	23,242,912	23,242,912	
11	11	Mutual Benefit	2,068,361,343	78	76	Provident L. & A.	147,731,804	147	148	North Carolina Mut.	51,228,190	225	225	Universal Life, Tenn.	15,599,118	23,242,912	23,242,912	
12	12	Penn Mutual	1,996,757,014	79	75	Pilot Life, N. C.	146,642,047	148	146	Ind.	31,766,233	226	226	Policyholders Nat.	19,197,700	23,242,912	23,242,912	
13	13	Massachusetts Mutual	1,989,685,982	80	77	Ind.	99,654,923	149	145	Western Life	51,000,170	227	227	George Washington	18,765,468	23,242,912	23,242,912	
14	14	New England Mutual	1,607,137,141	81	78	Columbus Mutual	141,068,775	150	155	Old Republic Credit	50,773,155	228	228	Maritime, Can.	939,245	23,242,912	23,242,912	
15	15	Connecticut General	1,211,202,698	82	84	Guarantee Mutual	139,287,598	151	152	Grp.	1,279,213	229	229	American Life, Ala.	5,585,857	23,242,912	23,242,912	
16	16	Union Central	1,130,028,693	83	82	Continental Amer.	136,968,201	152	153	Northern Life, Can.	50,245,980	230	230	Ind.	164,500	23,242,912	23,242,912	
17	17	Lincoln National	1,091,527,803	84	83	Grp.	77,800	153	156	United Fidelity	50,070,097	231	231	Ind.	702,750	23,242,912	23,242,912	
18	18	Phoenix Mutual	1,084,835,793	85	89	Atlantic, Va.	136,361,591	154	157	Kentucky Home	49,564,397	232	232	Postal Union	134,850	23,242,912	23,242,912	
19	19	Western & Southern	997,152,463	86	96	Protective Life	132,335,595	155	158	Grp.	15,372,675	233	233	Ind.	705,150	23,242,912	23,242,912	
20	20	Ind.	638,807,268	87	87	Home Life, Pa.	128,630,486	156	159	LaSalle Mutual	48,541,932	234	234	Union Life, Ark.	4,395,354	23,242,912	23,242,912	
21	21	American National	631,665	88	93	Ind.	74,464,267	157	160	Home Security	47,216,217	235	235	Western Reserve	1,122,000	23,242,912	23,242,912	
22	22	Canada Life	604,731,200	89	88	Business Men's, Mo.	141,068,775	158	161	Farmers & Traders	46,913,080	236	236	Grp.	1,261,977	23,242,912	23,242,912	
23	23	National L. & A.	500,194,811	90	86	Grp.	13,634,397	159	162	United Life & Acc.	45,687,972	237	237	Missouri Ins.	12,601,977	23,242,912	23,242,912	
24	24	Bankers, Iowa	712,909,392	91	94	Equitable, D. C.	124,169,200	160	163	Postal, N. Y.	45,275,013	238	238	Ind.	238,584	23,242,912	23,242,912	
25	25	General American	714,041,357	92	95	Ind.	77,886,601	161	164	Ind.	54,000	239	239	Eastern Life	15,120,000	23,242,912	23,242,912	
26	26	London Life, Can.	709,477,654	93	90	Industrial L. & Health	122,602,410	162	165	Security Life & Acc.	42,827,435	240	240	Maryland Life	15,681,000	23,242,912	23,242,912	
27	27	Phoenix Mutual	689,636,169	94	91	Midland Mutual	122,184,587	163	166	Ind.	41,937,245	241	241	Universal L. & A.	5,585,857	23,242,912	23,242,912	
28	28	Great-West	606,492,721	95	95	Gulf, Fla.	77,350,115	164	167	Peninsular	42,856,205	242	242	Great National, Tex.	889,090	23,242,912	23,242,912	
29	29	State Mutual, Mass.	606,492,721	96	92	Grp.	3,262,650	165	168	Ind.	31,118,492	243	243	Grp.	889,090	23,242,912	23,242,912	
30	30	Equitable Life, N. Y.	597,887,713	97	97	Ind.	84,004,607	166	169	Security Life & Acc.	42,827,435	244	244	Credit Life	15,120,000	23,242,912	23,242,912	
31	31	Pacific Mutual	587,900,115	98	98	Grp.	3,075,846	167	170	Standard, Ind.	42,827,435	245	245	Standard, Ind.	14,515,100	23,242,912	23,242,912	
32	32	Mutual Life, Can.	586,019,392	99	99	West Coast Life	121,681,854	168	171	Pyramid, Ark.	41,651,408	246	246	Pyramid, Ark.	14,514,000	23,242,912	23,242,912	
33	33	Manufacturers, Can.	582,089,084	100	99	Home Beneficial	119,958,086	169	172	Natl. Reserve	41,388,382	247	247	Guaranty Income	13,946,000	23,242,912	23,242,912	
34	34	National Life, Vt.	575,062,151	101	106	Ind.	100,066,423	170	173	Ind.	3,165	248	248	Ind.	1,510,131	23,242,912	23,242,912	
35	35	Life of Virginia	565,151,504	102	103	Bankers, Neb.	119,445,376	171	174	Equitable, Can.	41,375,116	249	249	Pyramid, Kans.	15,120,000	23,242,912	23,242,912	
36	36	Occidental, Cal.	519,339,495	103	104	Excelsior, Can.	116,414,086	172	175	Mass. Protective	40,209,576	250	250	Palmetto State	12,823,650	23,242,912	23,242,912	
37	37	Reliance Life, Pa.	504,774,839	104	105	Ind.	4,180	173	176	Victory Life, Kans.	39,358,885	251	251	Ind.	12,823,650	23,242,912	23,242,912	
38	38	Guardian Life, N. Y.	499,982,736	105	105	Indianapolis Life	114,767,904	174	177	Empire Life, Can.	38,682,622	252	252	American Savings, Mo.	466,290	23,242,912	23,242,912	
39	39	Northwestern Natl.	460,034,187	106	108	Baltimore Life	111,466,343	175	178	Great Northern	38,527,537	253	253	State Capitol, N. C.	9,073,505	23,242,912	23,242,912	
40	40	Kansas City Life	455,169,138	107	107	Ind.	83,613,090	176	179	Farm Bureau	38,192,495	254	254	National Equity	13,038,000	23,242,912	23,242,912	
41	41	Home Life, N. Y.	424,327,748	108	107	Illinois Bankers	107,249,543	177	180	Grp.	1,500,530	255	255	State Reserve	432,500	23,242,912	23,242,912	
42	42	Aecacia Mutual	422,897,589	109	112	Grp.	15,470,212	178	181	Standard of England	38,018,000	256	256	Grp.	432,500	23,242,912	23,242,912	
43	43	Confederation	419,848,854	110	113	Ohio State	104,250,098	179	182	Midland Life	37,674,262	257	257	United Services, D. C.	12,778,000	23,242,912	23,242,912	
44	44	Southwestern, Tex.	381,132,934	111	109	Volunteer State	101,475,343	180	183	Imperial, N. C.	37,474,262	258	258	Virginia Life & Cas.	9,619,116	23,242,912	23,242,912	
45	45	Fidelity Mutual	370,722,331	112	112	Alliance Life, Ill.	100,234,817	181	184	Ind.	27,265,768	259	259	Ind.	9,619,116	23,242,912	23,242,912	
46	46	Monumental, Md.	323,444,537	113	113	Grp.	2,803,550	182	185	American Standard	36,435,831	260	260	St. Louis Mutual	11,649,000	23,242,912	23,242,912	
47	47	American United	283,614,607	114	113	Knights Life, Pa.	95,704,217	183	186	Prudential of London	36,421,688	261	261	Savings Banks, N. J.	11,501,000	23,242,912	23,242,912	
48	48	Imperial, Can.	282,892,230	115	111	Boston Mutual	94,660,449	184	187	Gate City	35,773,236	262	262	United Life, Kans.	3,216,500	23,242,912	23,242,912	
49	49	Life & Casualty	277,462,661	116	115	Ind.	62,685,147	185	188	Ind.	31,601,019	263	263	Grp.	3,216,500	23,242,912	23,242,912	
50	50	Continental Assur., Ill.	274,442,684	117	114	Security Mutual, N. Y.	92,671,654	186	189	Grp.	769,500	264	264	Modern Life	10,879,000	23,242,912	23,242,912	
51	51	Great Southern, Tex.	255,140,801	118	118	American Mutual	90,866,488	187	190	Scranton Life	35,406,464	265	265	Union Natl., Neb.	10,870,000	23,242,		

Breakdown of 1940 Total Shows 88 Billion Ordinary

Life insurance in force now totals \$126,354,975,922, an all time high. This is a gain of over \$4,000,000,000 compared to a \$3,500,000,000 gain for the preceding year. The total is taken from the Dec. 31, 1940 figures of 318 companies reporting to THE NATIONAL UNDERWRITER for use in the compilation of the Unique Manual-Digest.

Ordinary life in force totals \$88,347,023,622 as compared to \$86,027,627,386 in 1939, a gain of over \$2,000,000,000 for the second consecutive year.

Group in force amount to \$16,263,325,751, a gain of \$1,433,780,534 compared to a gain of \$1,250,000,000 for the previous year.

Industrial Shows Gains

The industrial insurance in force total of \$21,680,801,146 represented an increase of \$328,474,081, as compared to \$20,000,000 in 1939. This gain was remarkable in that the two largest companies writing industrial showed a decrease in amount in force in that department from the previous year.

No change occurred in the number of \$1,000,000,000 companies in force, although the Western & Southern missed attaining that figure by less than \$7,000,000. There was likewise no change in the number of companies in the \$100,000,000 class. There are exactly 100 companies in that classification.

Little change occurred among the ranking of the 50 largest companies. Lincoln National moved in to 17th position ahead of Connecticut Mutual. American National advanced from 22nd to 21st. National Life & Accident progressed from 25 to 23rd place.

Nine companies ranking from 26th to

50th advanced one place: London Life, Great-West, Equitable of Iowa, Occidental of California, Reliance, Northwestern National, Home of N. Y., Jefferson Standard and Southwestern.

In the next group of 50 companies, the greatest advance was the 10 places gained by the Industrial Life & Health, which is now 86th. This was closely followed by the Peoples Life of D. C., which is now 73rd, a gain of eight places. Provident Life & Accident, Gulf Life and Massachusetts Savings Banks each advanced five steps ending in 75th, 88th and 62nd respectively.

Equitable Life of D. C. is now in 85th place, a gain of four, Home Beneficial and Crown in 91st and 55th, each registered three place gains. Sun Life of Maryland, Protective and Ohio State each advanced two places while United Benefit stepped up one.

Reinsurance of the Columbia Life by the Ohio National and the ordinary business of Great American of Texas by Franklin, largely accounted for the advance of two and four places respectively made by these companies.

Seven Advances Registered

Of the first 100 companies seven advances were registered by the companies writing both industrial and group, four others remained even while four moved back one place. Of the seven advances, American National has come 11 places in seven years, National Life & Accident from 41 in 1934 to 23 in 1941, Peoples D. C. has come from 97th in 1936 to 73rd in 1941 while Equitable Life, D. C., has steadily advanced from 100th in 1936 to 85th this year.

The group from 100 to 150 contained two remarkable gains by companies writing credit business. Cuna Mutual,

Sidelights on Wichita Activities

Holgar J. Johnson, president of the Institute of Life Insurance, who is in Wichita this week as a principal speaker for the mid-year meeting of the N. A. L. U., is also addressing a joint luncheon meeting of the Wichita Chamber of Commerce and Kiwanis Club at the Lassen Hotel on Friday. The meeting is open to the public.

Elmer Shurtleff, vice-president of Victorv Life, Topeka, will be given a surprise party Friday morning at the Wichita office during the mid-year meeting of the N. A. L. U. when anniversary month results will be announced. Aim of the campaign is 100 percent applications from every agent, all of which will be placed in a basket and presented to Mr. Shurtleff at the Wichita party and will include "apps" received up to March 28. Several agencies including the Elmer Henry agency at Dodge City are offering special prizes for the anniversary month campaign, Mr. Henry offering hotel and registration expenses to the mid-year meeting and sales congress for all producers with \$5,000 or more between March 1-27.

The Wichita daily papers carried life insurance sections of several pages March 23, honoring the Wichita committee headed by Lee Wandling, Equitable Society, for their plans for the mid-year meeting of the N. A. L. U. Pictures of the sub-committee chairmen and general stories of the convention and honored speakers were included.

Maxwell Hoffman, executive secretary, and W. E. Jones, editor of "Life Association News," are representing the N. A. L. U. headquarters staff at Wichita.

formed by the Credit Union Associations, after a gain of 37 places last year now advances another 22 places end-
(CONTINUED ON PAGE 33)

Linton Group Renews Stand on Social Security

Favors Inclusion of Agents for Pensions But Not Job Cover

The committee on agents' compensation, composed of representatives from both home offices and the field, has reiterated its position concerning the inclusion of life insurance agents under the old age and survivor's insurance plan of the social security act. This position is that "it would be desirable for commission agents to be included in the plan, assuming that it would be possible to do so without bringing them under the unemployment compensation section of the act."

"Further study since that statement last October has served to confirm the conclusion," announced M. Albert Linton, president of Provident Mutual and chairman of the committee.

"In studying the problem the committee emphasizes the fact that commission agents are 'independent contractors' and under their contractual agreements are free to use their judgment as to the place and time at which they shall solicit applications and service policyholders. The committee believes it essential that this freedom of action of the individual agent be fully maintained and that this should be a fundamental consideration in any attempt to include him under social security. Furthermore, the committee feels that if the agent is to be included under the social security act there should be full clarification of his rights to write business and receive commissions thereon after age 65. The effect that the receipt of such commissions would have on the old age benefits received should be clearly indicated."

The committee in continuing its study of the problems of agents' compensation is at the moment concentrating upon the problems connected with pensions for commission agents. In this study it is keeping in close touch with the attitude and reactions of the field, particularly by means of the active participation in committee activities of Harry T. Wright, president of the National Association of Life Underwriters, and Charles J. Zimmerman, immediate past president of the same organization.

N. Y. Savings Bank Cover in Force \$11,649,865

Insurance in force of the New York savings banks at Oct. 31 is reported to be \$11,649,865, as compared with \$5,836,200 the previous year. Assets were \$554,128, surplus \$172,986, premium income \$322,323. The number of policies was 14,408.

The size of the average policy is about \$800.

Plans for Insurance Conference Being Made

The annual meeting of the U. S. Chamber of Commerce will be held at Washington, D. C., April 28-May 1. The national councilors will meet the first day and the general session will start April 29. The round table conferences will take place the afternoon of April 30. The insurance subject this year is "Insurance—Its Relationship to National Security."

(CONT'D FROM PRECEDING PAGE)

Rank in 1941	Insurance in Force
292 .. Franklin National.....	\$6,570,711
293 .. Central Life, Fla.....	\$6,258,646
294 .. Great Lakes Life.....	\$6,237,652
295 .. Superior Life, H. & A.	\$6,218,638
296 .. Universal Life, Va.....	\$6,203,278
297 .. Southern Life, Ga.....	\$5,497,802
298 .. Manhattan Mutual.....	\$5,467,674
299 .. Amer. Life & A., Mo.	\$5,183,729
Ind.	2,647,039
300 .. American Home, S. C.	\$5,042,871
301 .. Empire State Mut.....	\$5,042,088
302 .. Texas State Life.....	\$5,030,385
303 .. Southern Aid Society....	\$4,972,608
Ind.	4,714,358
304 .. Reliance Mutual.....	\$4,830,466
Grp.	461,500
Ind.	162,666
305 .. Richmond Beneficial....	\$4,297,478
Ind.	3,903,478
306 .. Pathfinder.....	\$4,198,083
307 .. Guaranty, Ga.....	\$3,970,846
Ind.	3,827,888
308 .. Loyal Protec., Mass....	\$3,833,555
309 .. Internatl. Travelers....	\$3,831,092
Ind.	31,066
310 .. Family Mutual.....	\$3,371,124
Ind.	2,190,024
311 .. Star Life, Md.....	\$2,940,942
Ind.	2,781,101
312 .. Southwest Reserve....	\$2,589,108
313 .. Wis. State Life Fd.....	\$2,586,770
314 .. Federal Life & Cas.....	\$2,253,255
315 .. Virginia Mut. Benefit....	\$2,204,704
316 .. Amer. Farmers Mut.....	\$2,110,773
317 .. State National Life....	\$2,065,063
318 .. Great Amer. Reserve....	\$2,062,920
319 .. Hearthstone.....	\$1,922,521
320 .. Dixie Life & Acc.....	\$1,918,005
Ind.	865,005
321 .. Provident Industrial Life H. & A.....	\$1,900,724
322 .. Domestic Life & Acc.....	\$1,693,571
Ind.	891,152
323 .. Amer. Citizens.....	\$1,607,602
Ind.	213,297
324 .. Guaranty Life, Fla.....	\$1,433,604
325 .. Citizens Home, Va.....	\$1,384,515
326 .. Columbia Mutual.....	\$1,372,610
327 .. Liberty Natl., Mo.....	\$1,298,002
328 .. Automotive Life.....	\$1,217,900
329 .. Lincoln Republic.....	\$1,190,463
330 .. Legal Standard.....	\$1,131,852
331 .. National Old Line Mut.	\$1,017,699
332 .. Central Assurance.....	\$1,010,321
333 .. American Life, Md.....	\$985,095
334 .. Southern Life, Md.....	\$956,520
335 .. Brotherhood Mutual....	\$761,000
336 .. Equit. Beneficial Mut....	\$757,285
337 .. Pioneer Ins., Neb.....	\$705,502
338 .. Commonwealth Bene....	\$596,714
339 .. Palladium Natl. Life....	\$594,094
340 .. Natl. Masonic Prov.....	\$445,233
341 .. Southern Natl., Texas....	\$195,373

*Industrial.
*Formerly Colorado Life.
*Canadian business only.

WHOSE HANDWRITING?

To the underwriter on the job it seems logical that he should be the one who fills out the application, for he is familiar with the form. Also sometimes there is some point of sales psychology that makes that the wisest choice.

And yet we hear excellent arguments in favor of having the applicant fill out his own application in his own handwriting. The best argument seems to be on a basis of pride—the applicant is sharing in the contract from the very beginning of the case. When the policy is turned over to the new policyholder he sees, as part of the contract, a photostat of his own handwriting, which emphasizes the fact that the policy is a contract with two parties involved.

The appeal of sentiment should not be ignored. The underwriter may well point out to the policyholder that he will have, in after years, a sample of his handwriting when he was aged so-and-so.

And interesting is the occasional suggestion that someone in the family, especially the father or mother, fill out the application, so that the photostat in the policy will always preserve the parent's handwriting, as a memento.

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Commissioners Sidetrack Central Office Idea

NEW YORK—The National Association of Insurance Commissioners executive committee at its meeting here dropped the central office proposal because of its cost and the fear that it might grow to interfere with the supervisory powers of the individual states. However, it is apparent that the central office plan is not so dead as this action might indicate, for about half the commissioners, including those in the states where the bulk of insurance is in force, are said to be in favor of the idea and only a small minority are definitely opposed, the rest being on the fence.

It would not be surprising if supporters of the central office plan were able to get considerable backing for the proposal by the time the commissioners meet in Detroit in June. One compromise proposal was that in order to test out the merits of the plan on a modest basis the work would be done by a statistician who would work in the office of Commissioner Read of Oklahoma, secretary of the association. As a means of getting the plan started its backers would probably agree to this tentative arrangement provided the person employed had sufficient training, ability and initiative to be qualified to work up the necessary type of information and make the sort of studies that are contemplated. The function of the office would be to act as a clearing house of useful insurance information for the commissioners and the companies.

Companies Would Foot Bill

So favorable has been the reaction of the companies to the proposal that a number of them have offered to foot the bill, for they feel such an office would provide authentic and much needed information that is available nowhere else. However, the commissioners have shied away from letting the companies finance the project, consequently the question of expense still continues to be an obstacle. Adherents of the plan point out, however, that a young, capable statistician could undoubtedly be obtained for around \$3,000 a year and that if he had his desk in the office of the secretary of the association his salary would be virtually the only expense to be met.

As far as misgivings about the central office taking over any of the authority now vested in the individual states, those in favor of the central office plan insist that it would not be a policy-making

agency but would be solely a bureau for research and information.

Another major subject of the executive committee's deliberations was the TNEC-SEC situation. It was decided that it would be premature to make any statement or take any position until it is



J. S. WILLIAMS, III

known when the TNEC's recommendations or pronouncements will be in its final report, which is not due until early next month.

See Pike as Referee

The committee felt that the SEC material is something in the nature of a referee's finding of fact. This material was transmitted by Commissioner S. T. Pike of the SEC to the TNEC but until the TNEC does something about it the committee feels the association should take no official stand. It was pointed out that the Pike-Gesell material was not even an official SEC document, as Pike was careful to point out in presenting it to the TNEC. Consequently their recommendations cannot be looked upon as having even the official standing that could be accorded an official SEC pronouncement.

No action was taken on the HOLC situation. The committee felt that so many states have outlawed the plan and

(CONTINUED ON PAGE 33)

Cites Shortcomings of Army Insurance

The agent who will compare for the prospect the relative merits of ordinary life insurance and the new government insurance will lose few desirable prospects on that score among service men, Alan D. Harmer, agency secretary, told those in attendance at the meeting for middle western agents of Minnesota Mutual Life in Chicago. Such a comparison will clearly reveal the limitations of the government insurance, he said.

Mr. Harmer proceeded to list what the government offers. The insurance, payable monthly, is for a five year term at 3 percent net rates and payable monthly. It is written in 500 units with minimum and maximum limits of \$1,000 and \$10,000 respectively. The applicant must apply for the coverage within 120 days after entering the service and may convert the policy after the first year to 20 or 30 payment life. Included at no extra cost is a waiver of premium benefit.

Government Policy Analyzed

The proceeds, Mr. Harmer pointed out, are payable only in monthly installments for 20 years if the beneficiary is under 30 or in monthly installments for 10 years certain and life if the beneficiary is over 30. The beneficiary must be a wife, husband, child, parent, brother, or sister, and if there are no beneficiaries in the classes named at the time of death there is no money paid. The Veteran's Administration handles and writes the policy, decides disability for waiver, and regulates the cash or loan values which can be put in the policy. The policy is forfeited for mutiny, treason, spying and desertion, and when being applied for or reinstated is permanently contestable for conspiracy.

Mr. Harmer pointed out that this is a term policy paid in monthly installments with a relatively small, inflexible settlement. It is administered by an agency of the government, which he said, is an amateur in insurance matters. There are real teeth in the restrictions appended and it is not adaptable to proper programming. It is, he declared, to the flexible, modern product of life insurance, the result of years of experience and thought, as the early auto is to its streamlined descendant of today.

Riesenman Made Director

S. A. Riesenman, superintendent of agencies Security Life & Accident, Denver, has been elected a director.

N. Y. Banks Push Mortgagor's Policy

Single-Premium Diminishing Term Is Added to Self-Amortizing Loan

NEW YORK—The New York state savings bank life insurance system has brought out a diminishing term policy designed to pay off the self-amortizing type of mortgage in case the borrower dies before completing payments. Banks in the system are pushing it for their new and existing mortgage loans. One of the most active is the East New York savings bank, headed by E. A. Richards, pioneer champion of the savings bank life insurance idea among New York savings bankers.

Big Opportunity for Sales

Mr. Richards believes that there will be a big opportunity to sell the new type coverage when the many mortgage loans now enjoying the protection of the state moratorium are forced to refinance. This refinancing will presumably be on the amortizing basis and diminishing term insurance offers a cheap way of making sure that the borrower's family will not lose their home in the event of his premature death. It also protects the bank against the undesirable contingency of having to take over the property.

Sees Field for Companies

Mr. Richards, who is president of the Savings Bank Life Insurance Fund, expressed the opinion that this type of coverage fills a definite public need and said life companies might do well to develop this market to a greater extent than they have in the past.

Savings banks' diminishing term policy may be purchased on the annual premium basis but it is anticipated that because of its low premium most of it will be bought as single premium insurance and either paid for outright or added to the mortgage and paid off as if it were part of the mortgage. The banks prefer the latter plan to an annual premium as it involves only one transaction instead of two and also makes it certain that the borrower will keep up his insurance payments when otherwise he might be tempted to discontinue them.

Rates at Age 35

At age 35 the rate per \$1,000 for a 10-year term policy decreasing by \$100 annually is \$38.10. Thus, for a \$5,000 mortgage the single premium would be \$190.50. The home owner getting the mortgage would in effect be getting a mortgage of \$5,190.50 instead of \$5,000 and the increase in his monthly payments would be trifling. For a \$1,000 20-year term policy decreasing \$50 each year the single premium would be \$67.60.

The reason for looking for an early termination of the mortgage moratorium law, which has been in effect since 1933, is that the legislature has shown itself unwilling to enact a tapering-off provision. There may be a court decision at any time holding that the moratorium is unconstitutional since no emergency now exists. While the legislature would be doing a favor to the mortgagors enjoying the protection of the moratorium if it would enact a graduated moratorium, so many of the legislators fear the political consequences that it seems unlikely that anything will be done about the moratorium unless it is chopped off by the courts. In that case borrowers would have to pay up or face foreclosure proceedings, unless they could refinance their mortgages. Presumably most of them could do so without difficulty but obviously they will have to do considerably more than meet taxes and interest, which are all that are required under the moratorium.

Speakers for National Sales Congress at Wichita



JAMES E. RUTHERFORD
Penn Mutual, Seattle



HOLGAR J. JOHNSON
Institute of Life Insurance



GALE F. JOHNSTON
Metropolitan, St. Louis

See Need for Rigid State Supervision

Round Table Discussants Urge More Money for Departments

The Northwestern University radio reviewing stand in its broadcast in Chicago Sunday on government regulations of life insurance did not have sufficient time in the 25 minutes allotted to it to develop the subject with satisfaction. Those participating were R. H. Kastner, associate counsel American Life Convention and chairman insurance law committee American Bar Association; Howard Berolzheimer, professor insurance and finance and Harold Havighurst, professor of law, School of Commerce Northwestern University. They devoted themselves chiefly to a few of the recommendations made in the recent report of SEC Commissioner S. T. Pike. The two school men were particularly interested in his espousing some form of federal supervision supplementary to the state system, a sort of fact finding and advisory body being suggested.

Departments Need More Appropriation

It was agreed by all that the state commissioners have done an excellent job, especially with the limited funds allotted them. It was urged that the state officials and especially department heads and examining staff be paid larger salaries in order to attract the highest talent. Insurance pays large sums to the states but less than 5 percent of the contribution by companies is used in supervision. The professors made it very plain that unless state departments kept up very definitely with the march of progress, there would be real danger of the federal government stepping in. They urged policyholders to insist on insurance departments being given more funds, thus being able to protect the public more efficiently. Unless this be done, it was hinted the government at Washington would find an excellent excuse to take the reins. If the states do a real job, there will be no federal supervision, they declared.

Mr. Kastner took the position that Mr. Pike's suggestion for some form of joint control was inadvisable because in any such coordinated jurisdiction, the federal government will take the whip hand.

Industrial Insurance Lapses

Attention was called to the high lapse rate of industrial insurance as brought out in the Gesell-Howe report. The professors said the critics had made much of this. Mr. Kastner declared that the figures used are misleading because lapses due to death, matured endowments, surrendered policies were all put in the lapse column. Most industrial policies' actual lapses occur in the early months before any equity is built up. When a depression sets in, naturally people begin to retrench and hence lapses increase. He quoted from the report of Superintendent Pink of New York to show that the lapse ratio had materially improved during the year.

The school men cited the reference in the Pike report to high pressure selling which it was claimed left many lapsed policies in its wake. Mr. Kastner opined this was much exaggerated. He mentioned the hundreds of thousands of dollars paid in death claims on first year policies, remarking that he had never heard the slightest criticism of any beneficiary on the way such policies were sold. All agreed that forced selling would lead to lapse but that lapses are unprofitable and hence there would be no valid excuse for that system of selling insurance.

The professors declared there is nothing gained in agents overselling people when it is evident they cannot afford

the insurance they are buying.

Reference was made to that part of the report revealing legal reserve failures. Mr. Kastner stated that during the entire depression period failures involved but 2 percent of life insurance assets and $\frac{1}{4}$ of 1 percent of insurance in force. In all there may have been \$100,000,000 in actual loss, the chairman figured. However, a failure does not mean a policyholder will lose all his equity as the business of collapsed companies is reinsured or taken over on a management contract. All death claims have been paid. It is true

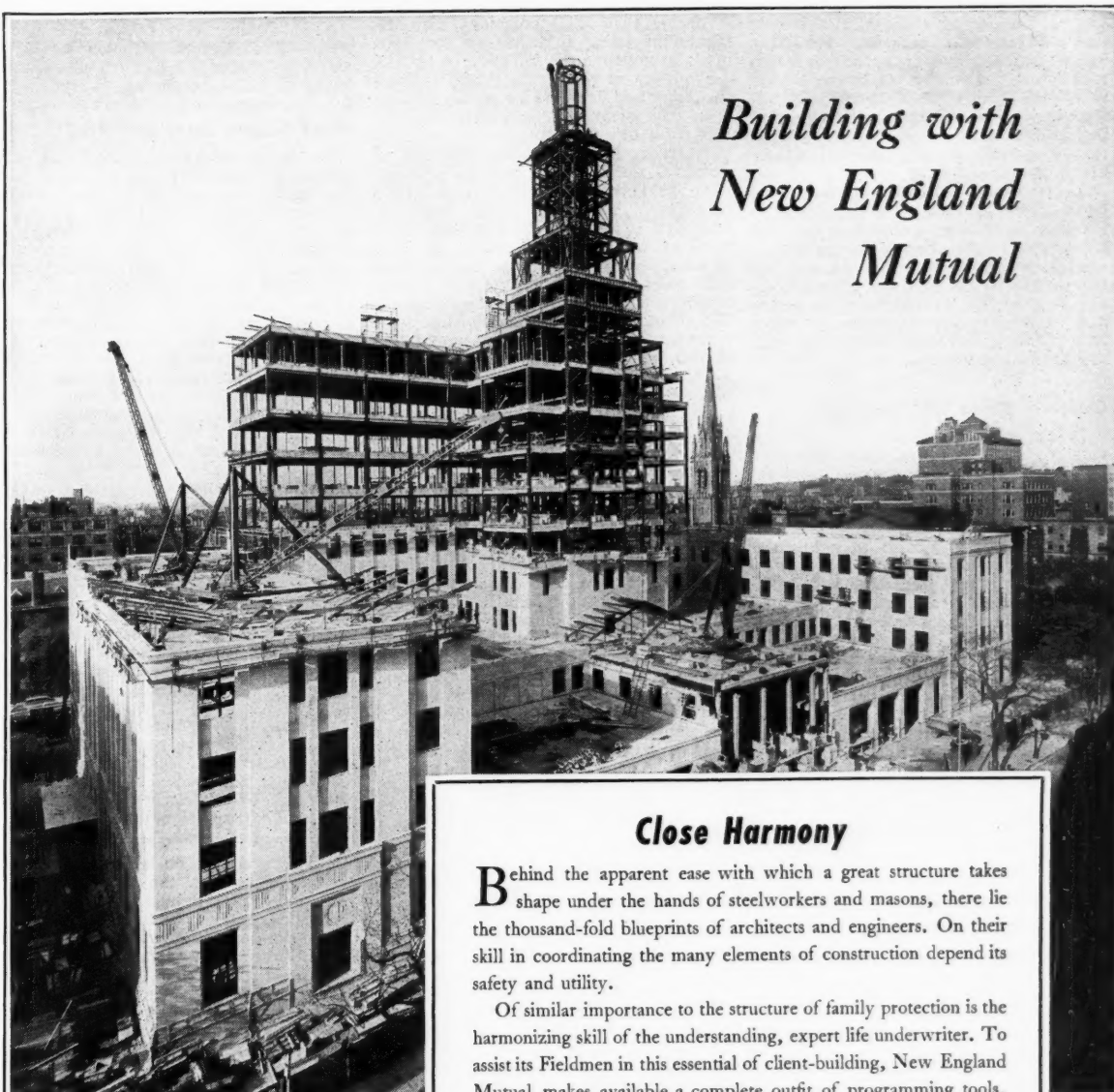
policyholders cannot secure loans nor get surrender value. In many cases liens on reserves have been reduced. Failures, it was asserted, were due to management weakness. Mr. Kastner said that no company having a management gifted with common sense and prudence had failed. It was stated that the people of some states expect almost perfection in insurance management.

One of the professors said that the TNEC investigation brought out in some cases that some officials paid themselves, relatives and favored friends very luscious salaries and were

given liberal expense allowances.

The discussants acknowledged that in the four large volumes of the TNEC hearing nothing organically wrong with life insurance is recorded. It was found in sound condition. Policyholders need to be reassured of the splendid showing as a whole.

Mr. Kastner said there are over 300 legal reserve companies operating in this country with \$3,750,000,000 in annual premiums. These vast sums ultimately go back to the policyholders except that part used in expenses which is a small part of the whole.



Building with New England Mutual

Close Harmony

Behind the apparent ease with which a great structure takes shape under the hands of steelworkers and masons, there lie the thousand-fold blueprints of architects and engineers. On their skill in coordinating the many elements of construction depend its safety and utility.

Of similar importance to the structure of family protection is the harmonizing skill of the understanding, expert life underwriter. To assist its Fieldmen in this essential of client-building, New England Mutual makes available a complete outfit of programming tools, COORDINATED ESTATES.

Whether a prospect's needs are large or small, COORDINATED ESTATES provides a clear, comprehensive, and *persuasive* blueprint of the protection that life insurance can provide.

Underwriters find programming made more satisfying, too, by the remarkable liberality and flexibility* of New England Mutual policy contracts.

*For example: Conversion by difference in reserves; options are available on surrender values.

NEW ENGLAND MUTUAL Life Insurance Company of BOSTON

GEORGE WILLARD SMITH, President

★ FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA ★

Lapse Record in 1940 Best Since World War Days

NEW YORK—Figures for companies licensed in New York indicate that 1940 was the best year in history, except for the world war period, in ratio of lapses and surrenders to total insurance in force. Exclusive of group and industrial the total of lapses and surrenders during the year was 3.48 percent of the insurance in force at the beginning of the year. This compares with 3.84 percent for 1939 and with the 1938 figure of about 4 percent. The only figure which approaches the favorable 1940 rate is that of the world war period when the ratios were abnormally affected by the unusual prosperity and the influenza epidemic, both of which tended to make people hang on to their life insurance.

As insurance in force increases the lapse-surrender total naturally tends to become a smaller percentage of the amount in force. However, the rise in total insurance in force during the last 10 years or so has been sufficiently gradual so that the improvement in lapses and surrenders can certainly be taken as indicating not only greater general prosperity but better merchandising and conservation.

Company Ratios Not Comparable

In the case of ratios for individual companies no accurate comparison can be made between one company and another without taking into account their respective growth patterns. Other things being equal a company which is putting on just enough new business to hold its insurance in force even, especially if it has been doing this for a great many years, makes a better showing when lapses and surrenders are measured against insurance in force. A relatively new company or an older one which has begun to grow only within the last 10, 20 or 30 years suffers by comparison for its newer business, on which lapses are the heaviest, looms much larger in proportion to its total in force.

Despite its shortcomings this method of viewing lapses and surrenders constitutes a much more accurate measurement, particularly for the aggregate of all companies, than the method employed by the Securities & Exchange Commission in its handling of life company lapses and surrenders. That method was to relate the lapses and surrenders to new business, even though these types of terminations might have been on policies issued anywhere up to 96 years before. The obvious effect of the SEC method is that a company which might have written virtually no new business during a given year would have a lapse-surrender ratio of fantastic proportions.

In the lapse-surrender ratios for past

years it is noticeable that they confirm the generally accepted idea that the ratio runs higher during the depressions and lower during prosperous times. The general trend of figures indicates that, while there is an inevitable link to general prosperity, it is possible to do much in the way of better selling and greater emphasis on conservation. It is undoubtedly significant that the extremely favorable 1940 ratio coincides with the maximum effort that has so far been made to improve the selection of agents, the quality of their selling and shifting the emphasis from sales to service.

In comparing the lapse-surrender ratios from one year to another an exact comparison is not possible between all years, as the available data on ordinary from 1931 through 1938 include group insurance. However, group insurance has been included in the lapse-surrender total as well as the insurance in force in computing the ratios so the figure is still valid. Because of the characteristically low lapse rate of group business the effect of its inclusion is to make the ratio more favorable than it would otherwise be. For example, the ratio for 1939 of group business by itself for companies in New York state was only about one-half of 1 percent. From a persistency standpoint group insurance not only has the advantage of a highly solvent group of corporate policyholders but the absence of surrender values eliminates the temptation to give up protection for the sake of realizing cash.

Trend of 50 Years

During the last 50 years the trend has been definitely in the direction of improvement and fluctuations from year to year tend to reflect the country's state of prosperity or depression. For example, the panic of 1893 resulted in a definite bulge in the lapse-surrender percentage. After that there was an improvement each successive year until just the years of the Armstrong investigation, 1905-6 when the revelation of the committee caused some loss of confidence in the institution of life insurance. The following year, 1907, showed a very good rate, the lowest up to that time, but it apparently was due to the fact that insurance in force increased only \$63,000,000, small even for that period, from Jan. 1, 1906, to Jan. 1, 1907, so that there was an unusually small amount of new business subject to lapses during 1907 and it is of course the newer business on which the persistency rate is the poorest.

The ratio again hit a new low in 1918-19 because of prosperity and influenza. It climbed the next year and during the 1921 depression was almost double the war time ratio. There was relatively lit-

Coffin Tells What Managers and Agents Expect of Each Other

LOS ANGELES—Agents want from their general agents or managers security and professional knowledge, and managers want their agents to go through the motions of selling and produce business with a will to succeed, it was declared by speakers in the joint meeting in Los Angeles of the Life Insurance Managers Association and Forum of the Life Underwriters Association of Los Angeles. About 150 attended.

V. B. Coffin, vice-president and superintendent of agencies Connecticut Mutual Life, chided the Los Angeles Chapter of C. L. U. for being "hasty" in its action relative to agents' compensation.

Urges Positive Stand on TNEC

He urged the life men not to be over critical on the TNEC report, but said they rather should stay on the positive side in considering it. He did not favor the idea that the report suggested life insurance was guilty of high pressure selling. He said if the prospect spent money on things that are for pleasure of the moment, then strong pressure to convince him of the need of protection was both necessary and legitimate. He said making the need for protection stand out more clearly in the prospect's mind makes selling insurance more definite, and urged that life insurance should lick this idea of high pressure itself, rather than having it done by someone else.

With the committee at work on the problem of agents' compensation, he said, "perhaps we already are on the track" of a satisfactory system. The companies are as anxious to arrive at a solution of the problem as are the field men.

"Security" for the agent does not mean altogether financial security, he explained, but all the other things that go to make the underwriter feel his efforts were appreciated. Agents want professional skill from their agency heads, a knowledge of life insurance and the answers to problems put to them.

President H. E. Belden of the life underwriters announced 78 new members were added, total membership being 473, and 12 provisional associates.

The improvement during the next few years and by 1927 the ratio was almost up to the 1921 figure. The percentage remained fairly constant through 1929.

As the depression made itself felt the lapse-surrender ratio started to climb and by 1932 reached its all-time peak, close to 12 percent. From then on there has been an improvement every year, the most noticeable change being between 1933 and 1934, with the exception that 1938, the "little depression" year, showed a slight bulge in the otherwise steady downward trend.

Security Fund Would Increase Safety

Pink's Proposal Would Lessen Chance Taking, He Believes

NEW YORK—Instead of encouraging possible laxity or crookedness of management, as some critics have contended, the New York department's proposal for a fund to prevent loss to policyholders of failed life companies would have exactly the opposite effect, according to Superintendent Pink. Those who oppose the idea have apparently failed to realize, he said, that no part of the fund would be for the benefit of the company until it had actually been taken over by the department for liquidation or reinsurance. The management would lose out just as surely as if there were no fund.

The big reason why the fund would encourage careful management, he said, is that it would enable the department to step in sooner than it would if there were no fund. As things stand now, the management of a company getting close to the borderline of solvency could gamble on the department's unwillingness to step into the picture, since doing so at once would almost certainly involve loss to policyholders, while if action were delayed the company might work itself out of its difficulties or the conditions causing its troubles might improve.

Would Discourage Chance-Taking

Mr. Pink's contention is that if a company were to get into trouble today the management might be disposed to take chances that it would not dare to take if it knew that the department had a fund which would enable it to step in and take over without any possibility of loss to policyholders.

The department's bill calls for domestic companies to pay into the fund one-tenth of 1 percent of their net premium income each year—one cent out of every \$10—until the fund reaches \$25,000,000. The fund would be built up at the rate of about \$1,250,000 a year. Mr. Pink said that the existence of the insolvent carriers fund for workmen's compensation insurance and the public vehicle liability security fund in the bus and taxicab field are a very desirable form of added security.

Hartford College Offers Additional Courses

Three new insurance courses have been announced by the Hartford College of Insurance and will be given for the first time next fall. These courses, each calling for three years of study in specialized subjects, are casualty, life and property insurance. The college already gives a general insurance course as well as a combination insurance-law course, the latter requiring four years to complete.

The new courses will be given by professional teachers and junior executives of Hartford companies. In addition special lectures will be given by visiting insurance executives.

Where possible in the courses the case method is employed, actual illustrations from the files of Hartford companies being used.

Finger Addresses Cashiers

Manager Ray H. Finger of Sun Life of Canada addressed the Life Cashiers Association of Los Angeles on "Morale Building." Morale cannot be built without enthusiasm and unless there is a purpose to be accomplished. The agency cashier is extremely important because he has more direct contact with agents and policyholders than the manager. If the cashier does not have enthusiasm and confidence, there is no one else in the agency who can develop enthusiasm to carry out the agency's plans.

	Amount Surrender	Amount Lapse	Total of Lapses & Sur.	Pct. Lapse & Sur. in 1940 to Ins. in Force 1/1/40 Percent		Amount Surrender	Amount Lapse	Total of Lapses & Sur.	Pct. Lapse & Sur. in 1940 to Ins. in Force 1/1/40 Percent
Aetna Life	\$ 50,873,640	\$ 56,790,321	\$107,663,961	5.45	Morris Plan	55,150	55,150	55,150	.61
Bankers, Ia.	10,930,348	18,825,699	29,756,047	3.93	Mutual Benefit	36,400,382	10,573,265	46,973,647	2.23
Berkshire	3,784,455	3,727,326	7,511,781	3.53	Mutual, Can.	461,018	90,542	550,560	4.37
Canada Life	7,099,412	2,902,855	10,002,267	4.25	Mutual, N. Y.	97,906,562	46,355,722	144,262,284	3.85
Church	126,277	47,000	173,277	0.69	Mutual Trust	3,598,506	4,903,011	8,501,517	4.86
Colonial	637,209	3,646,049	4,283,258	13.3	National, Vt.	10,466,729	7,009,605	17,476,334	3.11
Col. Natl.	3,846,072	5,296,686	9,142,658	5.36	New England Mut.	23,797,592	17,241,265	41,038,767	2.60
Confederation	727,541	348,982	1,076,523	4.00	New York Life	104,931,118	97,071,400	202,002,518	2.95
Conn. Gen.	23,828,717	27,495,334	51,324,051	6.25	No. Amer. Reas.	2,008,300	11,073,200	13,081,500	8.8
Conn. Mutual	24,917,504	18,304,942	43,222,446	4.14	Northwest Mut.	55,050,984	30,287,332	85,338,316	2.18
Continental Amer.	3,181,170	5,785,463	8,966,633	6.61	Old Republic Credit	23,739	262,306	286,045	0.76
Credit	.....	.....	.....	.....	Paul Revere	277,747	5,346,409	5,624,156	20.8
Eastern	164,286	628,761	793,047	5.49	Penn Mutual	36,336,777	35,914,205	72,250,982	3.67
Empire State	67,660	735,100	802,760	19.7	Phoenix Mutual	12,579,416	8,892,666	21,472,082	3.19
Equitable Society	72,815,644	66,347,067	139,162,711	2.94	Postal Life	3,382,623	1,171,849	4,554,472	9.77
Equitable, Ia.	9,430,785	11,052,458	20,483,243	3.50	Postal Nat.	404,216	829,329	1,233,545	11.3
Express Mut.	475,436	169,000	644,436	22.9	Provident Mut.	20,826,106	11,078,262	31,904,368	3.26
Farm Bureau, O.	305,703	2,166,401	2,472,104	8.31	Prudential	168,202,005	126,419,171	294,621,176	3.23
Farmers & Trad.	743,719	1,294,100	2,037,819	4.49	Sec. Mut. N. Y.	2,939,639	4,325,370	7,265,009	7.90
Fidelity Mutual	6,235,184	5,543,777	11,778,961	3.22	State Mutual	8,488,929	4,481,885	12,970,814	2.17
Guardian, N. Y.	11,164,876	8,219,077	19,383,953	3.92	Teachers	437,353	163,190	600,543	0.96
Home Life, N. Y.	7,925,085	5,412,247	13,337,332	3.27	Travelers	74,155,873	58,753,909	132,909,782	4.73
Imperial, San.	595,935	148,245	744,180	3.82	Union Central	21,235,207	12,720,012	33,955,219	3.01
John Hancock	52,579,925	85,412,723	138,092,648	6.13	Union Labor	270,349	662,950	933,299	9.23
Loyal Prot.	31,655	443,507	475,162	16.0	Union Mutual	1,640,122	2,581,203	4,221,325	5.45
Lutheran Mut.	745,598	2,344,009	3,089,607	4.85	U. S. Life	1,181,105	2,962,950	4,144,055	8.16
Manhattan	1,751,546	5,212,165	6,963,711	9.03	Victory Mutual	85,614	1,072,868	1,158,482	15.5
Mass. Mut.	41,766,210	23,719,102	65,485,312	3.33					
Mass. Prot.	612,301	1,704,903	2,317,204	5.94					
Metropolitan	215,199,387	164,266,487	379,465,874	3.18					
Monarch	420,696	1,181,945	1,602,641	7.03					

Lapse-surrender total (ordinary only), \$2,271,398,500.
Insurance in force Jan. 1, 1940 (ordinary only), \$65,203,355,492.
Percentage ratio, lapse-surrender total to insurance in force, 3.48.

N. Y. C. Congress Presents Practical Selling Points

NEW YORK—By the practical and inspirational value of the material presented and the excellent balance of the program, the New York City Life Underwriters Association's annual sales congress not only gave the membership full measure of value for their money and time but vindicated the association's judgment in limiting the attendance to members of the New York or other associations. As word of the quality of the day's program gets around it will prove a powerful stimulus in obtaining new members, an effect which was already noticeable before the congress.

Speakers were local association men except Paul Clark, vice-president John Hancock, who concluded the morning session and President James A. McLain of Guardian Life, who brought the congress to a close in the afternoon. Manuel Camps, Jr., general agent John Hancock, sales congress committee chairman, presided in the morning and Halsey D. Josephson, general agent State Mutual, sales congress vice-chairman, conducted the afternoon session. Lloyd Patterson, general agent Massachusetts Mutual, association president, spoke briefly at the opening of the congress.

Case for Habit Talks

Presenting the case for memorized sales talks B. D. Salinger, general agent Mutual Benefit Life, said that if selling is a skill or technique there is no better way to acquire it than by drill and rehearsal. Memorized sales talks give the salesman the advantage of knowing what he is going to say and what the prospect will probably say. They make it possible for him to keep on the track and to return to the track when questioned or interrupted and without boring repetition and without neglecting any essential part of his story.

They enable him to concentrate to a much greater extent on the prospect's reactions and objections in case these have not been anticipated in the sales talk. Furthermore a habit talk gives him a greater freedom in handling exceptional situations of any kind since his usual presentation is "grooved" beforehand.

Dislikes Memorized Talks

Taking the opposite view from Mr. Salinger's, D. B. Fluegelman, Northwestern Mutual, said he did not wish to discourage anyone who was successfully using memorized sales talks.

"Different agents work in different manners to achieve the same end but there are some like myself who seem primarily to get the interview started and then trust to their ingenuity and ability to lead it toward the proper channels," he said. "What is more important, in my mind, is the fact that different prospects are of different temperaments; consequently, while one prospect may react in a standard manner to standard responses this does not mean that all prospects will react in that way."

Uses Memorized Phrases

"Assuredly I use certain memorized phrases or sentences. It would be impossible for me to have been in the business for any length of time without discovering that certain phrases for me are more efficacious than others. However, I do not believe that the same phrases may be used for every prospect. For example, I have found that with a wealthy successful prospect it has been most helpful for me to tell him somewhere in the beginning of an interview that my business concerns itself primarily with the creation and conservation of estates."

Comparing life insurance selling to chess and contract bridge, Mr. Fluegel-

man pointed out that while many features of play are pretty well standardized yet the reason the best players win is not because of having discovered some procedure before the game but rather because they have discovered a means of effectively deviating from the standard responses.

EFFECTIVE LEADS

S. F. Green, Guardian Life of New York, said that a power lead is a referred lead from the right people and is one where the source writes a letter of introduction or telephones to the prospect so that when the agent calls he already knows why the agent is there and knows a great deal about him and his qualifications.

Mr. Green pointed out that a referred lead is not just a name with an address, nor even "see John Jones and tell him I sent you"; nor is it obtained by asking, "Say, Harry, where can I write a

policy today?" This procedure is not even good business and is degrading, undignified and does not lend prestige and certainly does not get the agent in on any kind of a selling basis, he said. Mr. Green stressed the value of sales managers of large firms as centers of influence for referred leads.

W. A. Sullivan, field training supervisor, Metropolitan Life, said in his talk on industrial insurance from the prospect's viewpoint that industrial is simply life insurance in small amounts. He gave some figures on the amount of protection which would not otherwise be owned unless industrial insurance existed. He emphasized the value of the agent in writing the business. Cost of industrial insurance is a matter of fact and not fancy.

Advantages of first interview selling as outlined by F. R. Amthor, supervisor of field training, Equitable Society, are: It determines the applicant's insurability immediately; it definitizes both the prospect, and the agent's plans and it permits a complete close on the second interview if the sale is not made on the first. Closing he defined as medical appointment or a signed application or initial premium or any combination of these.

The type of buyer has some bearing.

Field tests have shown the greatest success on smaller buyers with moderate success in larger income brackets. Personalities seem to affect success more than purchasing power. The agent's attitude and planned presentation are important factors in successful operation—"he can who thinks he can."

Mr. Amthor showed that it ties in well with programming both in the middle and lower income brackets.

Others who spoke included T. W. Foley, general agent State Mutual Life; Mrs. Lillian Joseph, Home Life of New York; H. R. Dowell, New England Mutual; Felix U. Levy, Penn Mutual; T. J. Murphy, John Hancock, and C. J. Caspar, Prudential.

MOLEY ON SECURITY

Raymond Moley, contributing editor of Newsweek, paid a tribute to the important and necessary part that life insurance occupies in the national economy in a talk on "Security of the Individual and of the Nation."

"Government cannot make security for the individual," said Mr. Moley. "It can seem to make it by taking from one and giving it to another. It can equal-

(CONTINUED ON PAGE 33)

The most important financial decisions of your life will probably be made for the sake of the woman you married. They are decisions which will affect both of you as long as you live. Make them with



the help of a man who is paid, not primarily for sales of new insurance, but for the quality of the work he does for you. The soundness of your life insurance plan, the accuracy with which it fits your needs, depends almost entirely on your agent. The NWNL agent is paid, not primarily for the insurance you buy, but for the insurance you keep in force because it is right for you. His reward comes from selling you only the kind of insurance you need, and only the amount you can afford — and for keeping that insurance adjusted thereafter to your changing needs. Talk to an NWNL agent. He is paid to build you a sound plan, and to keep it sound. A sound company will see to its execution — a 56-year-old company whose history of stability and progress, through good times and bad, is outstanding even when compared to the fine record of all American life companies.

NORTHWESTERN National LIFE
INSURANCE COMPANY
O. J. Arnold, President
Minneapolis, Minnesota

Your NWNL agent is paid, not primarily for sales, but for service

also makes Catholicism false religion as the crust, and N religion of the Dr. Niebu before he was years ago Party. He as he now none-the-less ed view of emphasis o prete... Christianity calism in to Jesus is re to the statu revolt aga are not gre by any nat that those political against O weak th prestige. does not r the weak, on gaining tractors, ex The Nat prepared fo at the Un only four vited to James, Jo William E Lord Gif tablished h ogy with a Said he in to treat th science, th indeed, in that of I to or reli exception lation. I w omy or ch basis, the w have lecture tures have rater, and ing of the for them. At Ed his hear lectures crowds in an: "I di when ye p ye're mak tures we out. Eve attendanc one crow denly not restless. tion," he Steam Afterw that Ed alarm, t potted ove Bridge raid destiny.

NWNL's CURRENT NATIONAL ADVERTISEMENT— A SILENT HELPER FOR ITS FIELDMEN

Critical Days Call for Wise Financial Policy

WASHINGTON, D. C.—Despite critical days ahead, there is no cause for either despair or alarm, Claude L. Benner, vice-president of Continental American Life, declared before the annual dinner meeting of the District of Columbia C. L. U. chapter here.

In meeting the enormous expenditures of the national defense program it is imperative that a sound financial policy be pursued to avoid the pitfalls of inflation, rising prices, never ending deficits and ultimate bankruptcy. In order to meet these problems intelligently it is necessary to formulate a wise financial policy of taxation, federal spending, government borrowing and wage control, Dr. Benner said.

Inflation Not Inevitable

Although inflation is not inevitable, it would increase the cost of the national defense program, slow it down and cause a severe depression after the program is over, he held. The defense program can be paid for without causing a rapid rise in prices "if we have the courage and wisdom to levy taxes so as not to destroy savings, leaving them free to be loaned to the government so that it will not have to sell its bonds to commercial banks, if the necessary priorities are established and if business men exercise due care and restraint in buying ahead and not piling up inventories, and even more important than all, if unjustifiable wage increases are not demanded and secured, and spent so that the total purchasing power for consumers' goods does not increase faster than the output of such goods."

Must Accept Changes

Today people are faced with changing conditions the world over and all individuals, rich or poor, all forms of business, great or small, must adjust themselves to the new order. Although the adjustment may be somewhat painful, when it is all over and accomplished and peace is restored, it is altogether likely that future generations may live quiet, happy and prosperous lives again.

In reviewing the hearings and reports of the Temporary National Economic Committee, Dr. Benner said that it had both good and bad points. The investigation revealed nothing to cast any reflection upon the institution of life insurance. Dr. Benner said that he was disappointed that the TNEC report did not contain more constructive suggestions on the agency problem, the shortcomings of which business already knows.

Commends Training Plan

Dr. Benner commended Superintendent Pink's suggestion that companies cooperate on a six months training school which all agents must attend. However imperfect the agency situation may be at the moment, there is not a shadow of doubt that it is improving and it is heading in the right direction of further improvement.

The fact that the average agent is not held in high esteem in his community was decried by Dr. Benner because of the failure to recognize the service rendered. The nation as a whole has been well served by life agents as the total amount of insurance in force amply proves. Every effort is being made to see that agents are better trained and "we are going to do all in our power to help the average agent increase his earnings," he declared.

Bank Insurance Not Answer

Savings bank life insurance does not meet the situation as it is unlikely that any appreciable amount of insurance will be sold in this manner. In fact it only complicates the situation because it makes it possible for an in-

dividual, after the agent has done his work of selling, to go to the bank and buy his insurance without agency cost. Savings bank insurance is primarily intended to be purchased by the humble and the poor but there are no facts to substantiate the realization of this purpose. "I have an idea that it tends to be purchased by the bargain seeker irrespective of his economic standing; the kind of chap who always wants to buy at wholesale prices even when he is purchasing one unit."

Agents' Service Essential

Assuming that a large volume of insurance in force is socially desirable, it cannot be placed on the books or remain there without the services of a life insurance salesman. "Is it wise to set up any scheme whereby people will get insurance without paying the legitimate cost of selling that insurance? This seems to be a question of ethics and fair play more than of economics."

Dr. Benner reviewed the contentions that over savings and failure to invest promptly such savings, is primarily responsible for the depression and the continuance of the chronic low industrial production. If this over savings contention is true, it raises grave implications for the insurance business. It would mean that there would never be a future outlet for funds except in government bonds. Interest rates would remain indefinitely low and probably go even lower in the future.

In refuting the over-savings contention, Dr. Benner analyzed reasons for low interest rates, which he attributes to the large accumulation in the U. S. of the world's monetary gold supply. This in turn is causing a tremendous amount of excess bank reserves, which are unloanable funds held by banks. These reserves have been overwhelming bankers and causing the low interest rates.

He exonerated the federal administration for being primarily responsible for these low rates, although it has done nothing to increase them except to borrow a lot of money and it may have done some things which may have indirectly caused the rates to be lower.

(CONTINUED ON PAGE 33)

New Insurance Directors for U. S. Chamber

WASHINGTON—At the meeting of the directors of the U. S. Chamber of Commerce the two directors representing insurance voluntarily retired to make possible an arrangement under which the representation of the stock companies would be from the east and the mutual companies from the west.

The two members retiring are John C. Harding of Chicago, executive vice-president of Springfield Fire & Marine, and J. H. R. Timanus of Philadelphia, secretary Philadelphia Contributionship. The two new insurance directors are John M. Thomas, president of National Union Fire, and Carl N. Jacobs, president Hardware Mutual Casualty of Stevens Point, Wis.

In addition to the geographical change, this shift gives representation to the casualty companies. Leroy A. Lincoln, president of Metropolitan Life, a director at large, represents life insurance, so that the three important branches of the industry now are recognized.

Chester O. Fisher, vice-president of Massachusetts Mutual Life, is a candidate for director representing the first district, which includes all of the New England states. Nineteen directors representing geographical districts and industries will be elected at the annual meeting in Washington, April 28-May 1.

Canadian Sees Unfavorable Mortality Rate, Due to War

TORONTO—A. M. Lennox, Imperial Life of Canada, told the Life Insurance Institute of Canada that in view of present world conditions he does not think it likely that favorable mortality rates can be maintained. He believes the formulae of surplus distribution may require some speedy adjustment in the event of adverse mortality experience as a result of the present war. He reviewed how mortality experience of the last war and the ensuing influenza epidemic affected surplus positions of the life companies and also resulted in lower dividends to policyholders.

The institute's annual meeting will be held some time in June.

Freeman Elected U. S. Life President

Starr Becomes Board Chairman—New Chief Has Wide Experience

Mansfield Freeman, for many years president of Asia Life, was made president of United States Life succeeding C. V. Starr who was elected board chairman at the annual meeting. Mr.



Mansfield Freeman

Freeman, who for nearly 20 years has been a close friend and colleague of Mr. Starr, has been a director of the United States Life since 1935 and has borne a considerable share of the administrative responsibility as board chairman, first with the late Henry Moir and later with Mr. Starr.

Mr. Starr's other interests, particularly the rapidly growing American International Underwriters Corporation, of which he has been elected president and chairman, have lately required an increasing share of his time.

Figures of United States Life, Mr. Starr points out, indicate that substantial gains during the past five years have been consolidated. "The entire organization, domestic and foreign, is functioning smoothly. The addition of an accident and health department has broadened facilities. We feel that United States Life, by reason of its international outlook and organization should find itself in a position to render particularly useful service. With his thorough knowledge of life insurance, Mr. Freeman is exceptionally well equipped to take over the responsibilities of the presidency."

Freeman Now in Shanghai

Mr. Freeman, who was in poor health during much of last year, has now fully recovered. He is now in Shanghai to attend the annual meeting of the Asia Life when it is expected that Galen D. Litchfield, heretofore vice-president, will be made president to succeed Mr. Freeman.

Mr. Freeman was born at Waltham, Mass., and educated at Wesleyan University, Middletown, Conn., and Edinburgh University, Scotland. He is a director of the Underwriters Bank for the Far East and the Post Mercury Company Federal of Shanghai, as well as of the Asia Life and United States Life. He was a professor of philosophy at Tsing Hwa College, Peiping, China, 1919-23. He began his insurance work as agent for the Asia Life at Peiping in 1923, and was later branch manager there, then assistant secretary in the home office, Shanghai, superintendent of agents, secretary, vice-president, president. He speaks and reads Chinese fluently and is a Sinologue of wide repute.

Sharp Made Waco Manager

T. C. Sharp, Jr., has been appointed district manager at Waco, Tex., by Great Southern Life. He succeeds H. B. Hackleman, transferred to Corpus Christi as southwest Texas agency manager. Mr. Sharp started with San Jacinto Life as a personal producer, joining Great Southern Life when it absorbed the San Jacinto Life in 1932. In 1933 he was appointed supervisor of the coast district surrounding Houston, later being transferred to the home office as agency assistant, and then becoming assistant manager of the Houston city agency.

Local Functionaries at Wichita



LEE WANDLING



WILLIAM NICHOLLS, JR.

To Lee Wandling of Equitable Society and to William Nicholls, Jr., of Penn Mutual go much of the credit for the exceptional local arrangements that were made for the mid-year meeting of the National Association of Life Under-

writers in Wichita this week. Mr. Wandling is general chairman of the Wichita committee and Mr. Nicholls is president of the Wichita Association of Life Underwriters. Their activities have been very effective.

Connecticut Bank Bill Passes Senate

High Pressure Tactics Criticized—House Hearing Scheduled This Week

HARTFORD—The Connecticut senate has passed the administration's savings bank life insurance bill. It is scheduled to reach the house banks committee this week. Senate opposition leaders predicted the measure would be returned—and sharply criticized the administration for "shoving the measure through."

The bill calls for formation of a corporation run by five trustees appointed by the governor. A director, an actuary and a medical director would be employed. An appropriation of \$25,000 would be authorized to get the plan started.

Senator Shea, Republican leader, stressed his support of the principle of insurance for the low income brackets of the population, but assailed what he called "unwarranted haste" of the Democratic majority in pressing for action on the bill after it had been available to the senators in printed form for only one day.

Only Five Clerks Needed

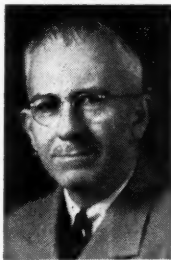
Senator Blansfield, Democrat, who carried the fight for the bill to the floor, held that the measure was "carefully drawn" and that the plan could be operated by five clerks at a cost of \$20,000 a year. No salaries are mentioned in the measure and in response to a question, Mr. Blansfield said the posts would be under the merit system. Senator Shea immediately challenged the statement, holding that there was nothing in the bill that said so.

It was mutually agreed that some standards should be provided to govern

Allison Backers Launch Campaign in Wichita

The Tulsa delegation in Wichita this week headed by M. P. Johnson, Fidelity Mutual Life manager, is pushing the candidacy of Edward L. Allison, Tulsa life broker, for trustee of the National Association of Life Underwriters.

Mr. Allison has been in life insurance since 1925 and is a co-partner in Engle & Allison, an exclusively life insurance brokerage firm. He has been prominent in civic activities, and has served as a director of the Tulsa association and has been its national committeeman for four years. Last year he was president of the Tulsa C. L. U. chapter.



E. L. Allison

the issue of policies, or the refusal of them, rather than merely the arbitrary decisions of the banks concerned. From the discussion it was indicated that ultimate legislation, if any, would be worked out from the senate measure.

Aetna Farm Loan Transfers

T. R. Jarmin, manager of the Iowa farm loan department of the Aetna Life for the last eight years, has been transferred to a similar post in Illinois, with headquarters in Bloomington.

C. W. Haworth, assistant under Mr. Jarmin, succeeds him as manager in Iowa. Roy L. Dillingham, formerly with the Iowa office, but in Illinois for several months, is transferred back to Iowa as assistant manager.

Industrial Insurers Announce Speakers

Complete Plans for Annual Parley at Richmond on May 28-30

RICHMOND—Four head-line addresses are planned for the annual convention here of the Industrial Insurers Conference at the John Marshall Hotel May 28-30. Commissioner Bowles of Virginia will speak on "The Attitude of the Insurance Commissioner Toward Industrial Insurance;" President Clyde W. Young of the Monarch Life on "The Place of Insurance in National Defense;" W. J. Hamrick, agency secretary, Gulf Life of Florida, on the "Selection and Supervision of Agents," and F. C. Van Cleef, Van Cleef, Jordan & Wood of New York, on "Investments." The administration's report will be given by President H. T. Dobbs and the state of the conference by Raymond Daniel, executive secretary.

A special hour has been set aside on May 29 for round table discussion of general matters of interest. That afternoon the legal section will meet in charge of P. M. Estes, Life & Casualty, chairman of the committee on laws.

The annual meeting of the executive committee, with Chairman F. F. Leith, Peoples Life, D. C. presiding, will be held on May 27.

Elaborate entertainment will be provided. On the afternoon of May 28 there will be a trip to Williamsburg. A tour of Richmond has been arranged for the afternoon of May 29.

The get-together dinner, previously termed the past presidents' dinner, will be held May 28 with the annual banquet on the following night. Golf tournament trophies will be presented by A. A. Biggio, Liberty National, golf com-

mittee chairman, at the annual banquet. The golf tournament will be held on the afternoons of May 28 and 29.

SEC Counsel for Insurance Probe Enters Law Practice

Gerhard Gesell, who served as counsel for the Securities & Exchange Commission in the TNEC insurance investigation, has resigned his government connection and has joined the Washington law firm of Covington, Burling, Rublee, Acheson & Shorb. He will specialize in trial work. Mr. Gesell wrote the recent much publicized report of the SEC members of the TNEC to the full monopoly committee, the co-author being Ernest Howe.

Mr. Gesell was under 30 years of age when the SEC hearings started. He went with the SEC six years ago after graduating from Yale law school. His father, Arnold Gesell, is head of the Yale Clinic of Child Development.

Show Agent Is Indispensable

Though life insurance along with everything else is being scrutinized in the current era of social adjustments, life agents can capitalize this fact, Harry Krueger, assistant to Rudolph Recht, general agent of Northwestern Mutual in New York City, declared at the Westchester county sales congress. It offers, he said, an opportunity for the qualified agent to educate the public to the fact that he is indispensable in the economic scheme as life insurance itself and this job of education should be the obligation of every agent.

Blanks Committee to Meet

Walter A. Robinson, actuary of the Ohio department and chairman of the committee on blanks of the National Association of Insurance Commissioners, announces that a meeting of the committee will be held in the Hotel Commodore, New York, May 5-7.

ANNUAL STATEMENT

ALLIANCE LIFE INSURANCE COMPANY

December 31, 1940

Paid to Policyholders and Beneficiaries in last 7 years	\$ 11,523,276.14
Insurance in force December 31, 1940	100,234,817.00
Total Admitted Assets	19,887,861.91
Extra Margin of Safety (Assets in excess of policy requirements)	1,908,712.27

ASSETS		
Cash		\$ 470,203.74
Bonds:		
Government	\$ 883,080.00	
State, Municipal and Political Subdivisions	367,675.86	
Railroad	726,740.00	
Public Utility	1,783,590.75	
Industrial & Miscellaneous	290,328.00	
		4,051,414.61
Stocks		359,653.00
Mortgage Loans on Real Estate:		
Farm	3,084,592.90	
City	3,719,424.31	
		6,804,017.21
Real Estate (Including \$169,809.99 sold under contract)	3,618,757.77	
Policy Loans and Premium Notes	4,085,492.52	
Premiums in Course of Collection	324,780.11	
Interest and Rents—Due and Accrued	167,884.41	
Miscellaneous Assets	5,658.54	
TOTAL		\$19,887,861.91

LIABILITIES		
Reserves Required by Law to Protect Life Policies	\$16,936,853.82	
Reserves Required by Law on Accident & Health Policies	24,182.21	
Reserves for Supplementary Contracts and Dividends	486,087.08	
Reserves for Unreported Claims and Claims with Incomplete Proofs	93,365.37	
Premiums, Interests and Rents Paid in Advance	161,389.32	
Reserves for Taxes	126,910.57	
Miscellaneous Liabilities	150,361.27	
TOTAL LIABILITIES		\$17,979,149.64

EXCESS PROTECTION TO POLICYHOLDERS		
Capital Stock	\$600,000.00	
Surplus	588,216.15	
Surplus Funds Reserved for Contingencies	720,496.12	
		\$ 1,908,712.27

TOTAL	\$19,887,861.91
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Policies for every need—Life and Accident
Juvenile—Women—Substandard
Opportunities for Capable Underwriters
Reinsurance Service

GENERAL SALES AND REINSURANCE DIVISIONS

B. T. KAMINS, Director of Agencies

750 N. Michigan Avenue
Chicago

M. A. KERN, President

Seefurth Entering Pension Trust Field

Chicago Tax Authority Sees Great Opportunity in New Medium

Nathaniel H. Seefurth, editor and publisher of the Seefurth Service of Chicago for the last 16 years, announced that after April 1 it would not be continued in its present form. Instead, it will concentrate on pension, bonus and profit sharing plans, with a special service offered to a limited number of agents with good contacts but no desire to spend the time, money and effort necessary to qualify themselves to handle this highly specialized type of business.

Mr. Seefurth will continue the office in 221 North La Salle street, Chicago. It is understood he will work with the agents of several large companies in developing pension trusts and other plans involving the employer-employee relationship.

Not Deemed Tax Evasion

There are unusual opportunities for a limited number of agents in this great, growing field, Mr. Seefurth stated. For a time it was associated somewhat with tax evasion aids for closed corporation stockholders but now has emerged as one of the most prolific sources of business for a few agents who have the right basis of contacts with corporation management, particularly large corporations, Mr. Seefurth said. Without this requisite, he counseled, it is a waste of time for the agent to become interested in this type of case.

"A provision covering employees' trust has been in the various revenue acts since 1921," he commented, "and from the beginning of the income tax laws employers have been permitted to deduct reasonable compensation. In the past occasional companies have created trusts where the investments have been in stocks and bonds.

Life Policies Found Preferable

"More recently it has been found that retirement income and annuity policies furnish a better investment medium than stocks or bonds, and life underwriters have become increasingly active in selling this type of plan.

"This is not strange when you consider that life underwriters for many years have been selling retirement incomes and safe investments to individuals. Is it not logical that the very same policies, designed to provide security for the individual purchaser, should be used to provide for his security under a plan set up for his benefit by his employer?

"Pension, bonus, and profit sharing plans are the most natural extension of a life underwriter's activities. Obviously such plans present problems that do not exist in the case of individual sales. However the basic protection is the same. A fundamental difference is that either the protection is purchased by the employer alone or by the employer in conjunction with the employee.

"For tax and administrative reasons it is necessary to follow a certain procedure and observe various technical rules. Unquestionably the sale of a pension, bonus or profit sharing plan of any consequence involves salesmanship of the highest order because so many different elements must be harmonized.

"Furthermore, these cases are normally rather slow to develop and the underwriter cannot afford to spend too much time on them to the exclusion of his day to day business. A case covering any number of lives will often involve a great many mathematical calculations before the plan is finally adopted."

Mr. Seefurth said he knows of at least 40 cases completed in the last

three to four months, the smallest being about \$150,000 retirement income insurance, but one case being for \$2,000,000 and another \$4,000,000.

Two Types of Plans Used

Plans in which the life agents are interested are of two types, he said. The best for the life agents' purposes are trusts created for employees receiving over \$3,000 each a year, to provide them with retirement incomes. A corporate problem of major importance under present conditions is how to compensate key employees, as high cash compensation alone will not always attract and hold the best men. Such men are faced with the increasing difficulty of accumulating against the time of their retirement on account of high taxes and investment problems. The top dollars often are of little value to such employees and this is where the trust plans are fulfilling a real need.

Plans for Smaller Earners

A lesser number of companies are interested in establishing retirement plans for employees who meet certain age and service requirements without any particular salary requirement. In the case of a large number of lower wage employees the plan may be wholly or partially underwritten by a group annuity. However, plans are being developed

under which individual policies can be used and some life companies are making changes in their practices to make the individual policy plan more effective, Mr. Seefurth said.

"Recent developments in the business and political world have emphasized the increasing importance of retirement plans to cover employees," he said. "The advent of social security has done much to crystallize the opinion of business men along these lines. The time is at hand when management is becoming concerned about the problem of getting employees off the payroll at normal retirement age with an adequate income. This is a business problem and not philanthropy in any sense of the word.

Considers Future Is Assured

"Many studies indicate that pension plans often carry themselves as a result of reduction in the salary load and increased efficiency on the part of employees. Taxes, of course, play an important part because the government is subsidizing these plans to the extent that contributions are deductible by the company. It is unlikely that this policy of encouraging distribution to employees will be discontinued by the government. Consequently, it would seem that employee trust plans have an established future."

Columbus Mutual Veteran 10-Year App-a-Week Man

One of the veteran leading citizens of Gallipolis, O., is Thomas S. Berridge,



T. S. Berridge

agent of Columbus Mutual Life, who has rounded out 10 years membership in that company's App-a-Week Club. He has also been a member of the President's Own Club for 11 years, which membership requires two applications during the first 10 days of each month. Mr. Berridge celebrated his 74th birthday in December. He has placed insurance on the lives of three generations during his 21 years with Columbus Mutual. He has been the company's top yearly producer more often than any other representative. He has a splendid renewal record. He selects his risks carefully and places insurance to cover specific purposes. Mr. Berridge was a wholesale grocery salesman and a teacher before joining Columbus Mutual.

We, too, Welcome

the Officers and Members of the National Association of Life Underwriters to our neighboring city, Wichita, Kansas, for their mid-year meeting.

The Kansas City Life Insurance Company approves the high standard set by your association for the business of life underwriting.

**Kansas City
LIFE
INSURANCE COMPANY**
KANSAS CITY
MISSOURI

Birmingham Parley Attracts Over 400

Series of Three Sales Congresses Held in Alabama

BIRMINGHAM, ALA.—More than 400 agents attended the annual sales congress here sponsored jointly by the Birmingham and the Alabama Associations of Life Underwriters. This was followed on succeeding days by successful meetings in Montgomery and in Mobile with practically the same speakers.

Crowning event of the Birmingham congress was the joint luncheon with the Birmingham Chamber of Commerce, attended by some 750 persons. W. H. Head, president General American Life, spoke on "World Events as They Affect Life in America." J. H. Coleman, chamber president, presided and Mr. Head was introduced by Oscar Wells, president First National Bank of Birmingham.

Introduce \$1,600,000 Policy Holder

V. H. Hanson, publisher of Birmingham "News" and "Age-Herald," who carries \$1,600,000 life insurance, was introduced as the largest policy holder in Alabama.

Mr. Head denounced totalitarianism. A victory for Hitler would endanger America and all that it stands for, he declared.

C. C. Day, Oklahoma City, Pacific Mutual general agent, appeared twice on the program. He talked on "The Sales Track."

The greatest thing in life is the maintenance of income, Mr. Day declared. Only life insurance can guarantee income to a man and to his family after his earning and producing period has passed and he has entered the "yearning and consuming" period. As a man calls in an architect when he wants to build a house, he should call in a life insurance man to help him chart this tomorrow when income stops.

Take Realistic View

Agents were urged to take a realistic view of prospecting, on which depends 75 percent of their success, by A. W. Litz, agency manager Commonwealth Life. He told of two agents in a Tennessee county of 23,000 population who were confident that they knew everyone in the county but a check-up on a taxpayers' list of 9,288 names showed that one agent actually knew only 47 out of each 100, while the other knew only 39. The first agent had called on 17 out of each 100 and the other on 12. In both cases they sold one out of every four persons called upon.

Prospecting is the only way to get raw material out of which to manufacture sales. In order to do a proper prospecting job it is necessary to have a definite goal. A certain part of each day or week should be set aside for the development of new prospects. The defense program has created unusual activity in all lines of business, thus creating many new prospecting opportunities for 1941, Mr. Litz pointed out.

Training System Explained

The system followed by Metropolitan Life in selecting and training agents was outlined by Robert J. Seay, field training supervisor. The prospective agent is given a series of psychological tests to determine his reaction to the problems which he will encounter as an agent, especially his mental alertness, mathematical ability and facility in meeting people.

After passing preliminary tests, the new agent is given a week schooling, giving him an overall picture of his job and a brief introduction to the product he sells. If he is approved by the home office, he is then definitely launched on his career.

After this week in school, a well

trained assistant manager accompanies the new agent for three weeks in the field. During this time the agent is taught fundamentals of his job, collection procedure, work planning for time conservation, service to industrial policyholders, etc. He is not, however, immediately plunged into selling, Mr. Seay added, being first taught some of the basic needs for weekly premium insurance, how to apply this type of insurance to fill those needs, etc. The assistant manager after demonstrating methods watches the new agent in the application of them.

It is not until the fourth week that much is said about ordinary insurance. The agent is then taught how to apply ordinary to a simple need—readjustment income and he studies under very close supervision. Pains are taken to see that the agent's first impression of the business is a good impression.

Work Carefully Supervised

It is only after this initial period of training that the new agent is allowed to proceed on his own. Even then his work is carefully supervised every day to determine his progress and an assistant manager is available to help him with any specific problem.

Before six months have elapsed, a home office instructor is assigned the agent for a period of about one week to observe whether he is applying his training in the right manner. The instructor assists the agency manager in laying out a continued program of training to fit the individual agent.

The agent's correspondence course is open to both new and old agents as well. This goes deeply into the uses of life insurance and is valuable in that it keeps the agent up to date.

Metropolitan Life has also inaugurated a series of schools for managers and assistant managers calculated to give them further higher training in life insurance fundamentals, Mr. Seay said. These schools run by the week and consist of classroom discussion. C.L.U. schools are also being sponsored in some of the larger cities.

Mr. Seay paid tribute to the industrial agent who "does the groundwork of educating the small man to life insurance benefits." He added that weekly premium insurance is owned by twice as many people as ordinary insurance, and that it is in a sense, "a kindergarten of insurance."

Outline Selling Points

Fred C. Crowell, "Insurance Field," outlined selling points gathered from successful agents.

J. Orlando Ogle, General American Life, president Birmingham association, presided in the morning and Fred Chisholm, New England, Mutual Birmingham Alabama association, in the afternoon.

Speakers at Montgomery and Mobile included all Birmingham speakers except Mr. Head and Mr. Day and in addition, C. P. Shelby, Union Central Life, Clarksdale, Miss., and Graham Kirkpatrick, Birmingham general agent.

There were 95 at the Montgomery congress, which was in charge of Preston Watson, New York Life, president of the Montgomery association. Commissioner Julian welcomed the visitors in a short talk filled with humor. R. D. Quisenberry, New England Mutual, vice-president, and John C. Heath, Life of Virginia, secretary of the Montgomery association, also spoke briefly.

Mr. Kirkpatrick in his talk on "Selling the Complete Program" presented a complete analysis of a program of insurance for John Doe, giving the details of the qualification of the prospect, first interview, proposal interview, closing interview. He reviewed the necessity for cleanup and the proper use of the "spendthrift" clause.

Mr. Shelby, a former civil engineer, speaking from his personal experience in serving as president of an engineering company and later paying for more than \$6,000,000 for Union Central Life in the past 13 years, told how to build up prestige.

Research Bureau Maps Two Company Group Sessions

During the week of April 14 there will be held in Chicago, under the sponsorship of the Sales Research Bureau, two meetings for executives of companies in two different size groups. The first group will consist of executives of member companies having less than \$125,000,000 of ordinary in force. This meeting will begin April 14, and adjourn April 17. The second group, comprising executives of bureau companies in the \$125,000,000 to \$400,000,000 ordinary group, will convene April 18, and adjourn the afternoon of April 19.

The idea for a special conference for the smaller company group originated in 1939. So well did it go that it was continued as a permanent event. It is expected that the 1941 meeting will be one of the largest both from the point of attendance and member companies represented. Present indications are that there will be about 50 executives from about 30 companies at the conference.

One of the originators of the idea of a conference for the smaller company is

R. E. Irish, president of the Union Mutual. Mr. Irish served as chairman of the 1940 conference, and has undertaken each year the considerable task of preparing a program which would help to elicit the kind of discussion that the majority of attending companies were especially anxious to be informed on.

In addition to the yearly spring meeting of this group of companies, the idea has been further fostered by an informal "interim" meeting of representatives of the group each year at the bureau's annual meeting.

Larger Companies Meet

The meeting of companies of \$125,000,000 to \$400,000,000 of ordinary in force was first held in Chicago in 1940. There will probably be 25 to 30 in attendance at this conference from 15 or more companies. Acting as chairman of this group is John H. Evans, vice-president, Ohio National.

The bureau will be represented at both meetings by several members of the service division headed by J. M. Holcome, Jr., manager, and B. N. Woodson, director of service.

Stephen Klarer of the Stamm agency of Northwestern Mutual Life, secretary of the company's Association of Agents, has been elected president of the Milwaukee Optimists Club.

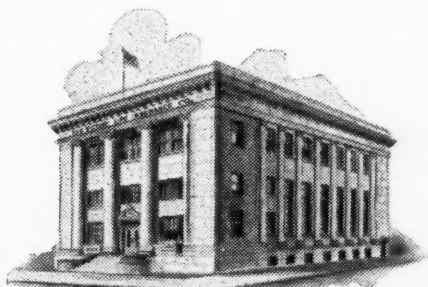
Greetings

from THE VICTORY LIFE and ITS AGENCY REPRESENTATIVES

To those in attendance at the Mid-year meeting of the National Association of Life Underwriters in Wichita.

KNOW THE STRENGTH OF VICTORY

James A. Allen President W. J. Bryden Gen. Mgr.



Let us tell you about the strong financial position of the Victory Life and the attractive general agency openings available in Missouri, Kansas, Nebraska and Texas. Now is the time to write to E. E. Shurtleff, Vice-President and Asst. Gen. Mgr.

The VICTORY

Life Insurance Company

TOPEKA

KANSAS

Huebner Foundation Program Announced

Fellows and Scholars May Apply for Next Fall, McCahan Outlines Scope

PHILADELPHIA—Applications for fellowships and scholarships at the University of Pennsylvania under the S. S. Huebner Foundation for Insurance Education are now open. Announcements have been sent to members of the American Association of University Teachers of Insurance, colleges maintaining insurance courses, insurance companies and other interested parties by Dr. David McCahan, professor of insurance at the University of Pennsylvania, who is executive director of the administrative board of the foundation. The first fellowships and scholarships to be awarded will be for the academic year 1941-42.

Booklets explaining the origin and purpose of the foundation and outlining requirements for benefits have been issued by the administrative board. The foundation was established last fall by a cooperating committee, representing the Association of Life Insurance Presidents, American Life Convention and Institute of Life Insurance and was announced at a testimonial dinner honoring Dr. Huebner.

Requirements for Fellowships

Fellowships and scholarships are intended primarily for teachers in accredited colleges and universities in the United States and Canada, or persons contemplating a teaching career, but may be awarded to college graduates associated with insurance companies wishing to do graduate work to prepare themselves for educational work within the companies if there is an excess of funds after allotments to teachers have been provided. A fellowship pays \$1,000 a year, from which tuition and other fees to the graduate school of the University of Pennsylvania are deducted. Applicants for fellowships must ordinarily be citizens of the United States or Canada, under 35 years of age and have completed at least one year's work toward a graduate degree in accredited college or university.

Scholarships pay \$400 a year and are applied toward graduate tuition and fees with the balance going toward the purchase of approved textbooks. Scholarship applicants must be American or Canadian citizens, under 30 years of age and have completed the work for a bachelor's degree in an approved institution of higher learning. Small grants may also be made to fellows and scholars for unusual expenses incident to their insurance research. Applicants must certify that it is their intention to follow a teaching career, and that they will major in insurance for a graduate degree and that during their period of tenure they will not engage in any outside work for pay or profit without the consent of the administrative board.

Insurance Company Scholars

The announcement states that if there is no excess of funds to provide for scholarships for insurance company employees any company may secure a special scholarship for a designated person by contributing \$400, the recipient to be subject to the same conditions as other scholars, except as to the intention of pursuing a teaching career.

The administrative board also stated in the announcement that it would take into consideration, as far as practicable, the geographical distribution of colleges or universities where the applicants expect to teach.

Library and Publication Work

The two other major purposes of the Huebner Foundation are to build up and maintain a central research insurance library and to assist with the publication of works which constitute a contribution to insurance knowledge, with the emphasis on life insurance. Material in

the library will be permitted to circulate to teachers in accredited colleges. The plan contemplates enlarging the present insurance library collection, adding new material and duplicating present material if needed for circulating purposes and providing research service for insurance teachers by supplying bibliographies and tracing special items in response to inquiries. Cooperation will be given insurance libraries in other colleges and universities. A trained research assistant will be employed on a full time basis and part time student assistants used for routine clerical and mailing work. All material acquired with funds of the foundation will be marked with a special book plate.

Publication Grants Provided

Publication grants will be extended to graduate theses, research monographs and papers originating from other sources, such as insurance societies. They will also be used to extend free lists and finance reprints of reputable journals of insurance science.

The administrative board appointed by the University of Pennsylvania to administer the foundation consists of Dr. Huebner, honorary chairman, Prof. H. J. Loman, University of Pennsylvania, chairman, Dr. McCahan, executive director, Prof. R. L. Blanchard, Columbia University; Prof. E. L. Bowers, Ohio State University; P. H. Musser, administrative vice president, University of Pennsylvania, and E. B. Williams, dean of graduate school, University of Pennsylvania.

Finds Insurance Lesson in Saving Bond Program

The Treasury department's announcement that new issues of savings bonds and stamps will go on public sale May 1 to help finance the defense program is an indication that the government recognizes the heightened importance of thrift in times like these, O. J. Arnold, president of Northwestern National Life observes. "Individual saving on a large scale is a necessary offset to public spending on a large scale, and is our best safeguard against inflation. Inflation in an extreme form would endanger, and perhaps nullify, our all-out efforts to keep America strong and free," he declared.

Mr. Arnold pointed out that policyholders have a right to a feeling of satisfaction in the knowledge that their life insurance dollars, by supplying the life blood of capital to industry, agriculture, and government have helped to keep the United States a going concern through past wars and depressions. And these dollars are exceptionally important today in creating the sinews of national defense.

"Life insurance dollars," he declared, "also serve the national interest by providing a backlog of buying power for the time when the defense program tapers off or stops abruptly, and America once more turns to peacetime pursuits."

Hiller Mentioned for Post

Transfer for D. Miley Phipps to the Earle Brailey agency of New England Mutual in Cleveland leaves a vacancy in the office of first vice-president of the Chicago Association of Life Underwriters. Appointment to fill the post is expected to be made by W. M. Houze, John Hancock, association president, soon after he returns from the Wichita meeting of the National Association of Life Underwriters.

A number of men are reported interested in the post, but Walter N. Hiller, Stumes & Loeb agency Penn Mutual, is most prominently mentioned. Mr. Hiller is a life member Million Dollar Round Table, National association, and has been for a number of years one of the most enthusiastic and energetic workers in the Chicago association. He has helped to write and produce two playlets in which he took part, has been in charge of booking the Institute of Insurance films and has taken active part in other committee work.

Parkinson Named Assistant to Director Jones, Illinois

Nellis P. Parkinson, for the past 16 years district agent of Mutual Benefit Life at Decatur, Ill., associated with the H. M. Solenberger general agency of Springfield, Ill., has been named assistant director of insurance of Illinois by Governor Green.

Mr. Parkinson began his new duties March 26. He is 53 years old and has been a resident of Decatur 30 years. He is a graduate of James Millikin university in Decatur, and fought with the 151st machine gun battalion of the Rainbow division during the world war. He has been active in American Legion and civic affairs and is a past commander of the legion post. He is married and has two sons.

Has Much Business Experience

Mr. Parkinson previously had much business experience in Decatur. He was business manager of the music department at Millikin University, and was secretary to an executive of a large plumbing manufacturing company there. Mr. Parkinson for many years has been very active in Kiwanis International.

As a life agent he reached peak production of about \$500,000. He special-

STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 South La Salle street, Chicago, gives the following stock quotations of life companies as of March 25:

	Par	Div.	Bid	Asked
Aetna Life	10	1.40*	27	28 1/2
Conn. Genl.	10	.80	24	26
Contl. Assur.	10	2.00	35 1/2	37 1/2
Life & Cas.	3	.50	10	11
Lincoln Natl.	10	1.40*	29 1/2	31
New World Life	10	.30	3 3/4	4 1/4
N. W. Natl. Life	7.50	.30	10	12
Ohio Natl. Life	10	1.25	25	28
Old Line Life	10	.60	11	13
Travelers	100	16.00	395	415
Wis. National	10	1.00	16	18

*Includes extras.

izes in estate programming and tax matters.

Robert G. Miley of Harrisburg, Ill., has been named assistant state fire marshal for the southern district of Illinois. The appointment was made by Insurance Director Jones.

Baldwin to Speak in Waco

Southwestern representatives of the Security Life & Accident will attend a regional meeting at Waco, April 1. W. Lee Baldwin, president, is making a tour through the territory and will be present and talk at the meeting.

The NATIONAL RESERVE

Greetings you!

**N.A.L.U. Mid-Year Meeting
at Wichita**

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**NATIONAL RESERVE
LIFE INSURANCE COMPANY**

Capital and Surplus over \$1,300,000.00

HOLMES MEADE, President

National Reserve Building

Topeka, Kansas

Pink Comments on TNEC Criticisms

Speaks at Annual Meeting of Rhode Island Agents Association

Superintendent Pink of New York, in addressing the annual meeting of the Rhode Island Association of Insurance Agents at Providence this week, commented on the criticisms of life insurance made in the recently published TNEC report. Mr. Pink made special reference to what the report had to say about the size of life companies and the dangers that would attend the restriction of the growth of the big companies. He also spoke of the way in which life insurance companies arrive at group rates, interlocking directors, simpler annual reports and the advantages of a greater policyholder participation in the management of life companies. He said in part:

"During the TNEC investigation the size of the larger life insurance companies was stressed. Uneasiness over this is also apparent in the report of the SEC and the recommendations of Sumner T. Pike. There is no question but that some of our life companies are very large and we must admit that there is some danger that they may become unwieldy and difficult to operate. But the life companies are the result of a natural growth. They have not achieved their present stature by unfair tactics or by competitive measures or combinations which are not ethical.

"Life insurance companies have grown during the last half century just as has every other form and type of business including government itself. There is no comparison between the rate of growth of the life companies and the extension of the power, influence and activities of the central government. It was the Armstrong investigation which made it possible for the life companies to become big without endangering the welfare of the people. That investigation gave us wise and sound laws and changed the entire outlook of those in charge. It made them trustees instead of proprietors.

Size of Four Largest

"On closer study the size of the Metropolitan and Prudential does not seem particularly menacing. The companies which the Armstrong committee worried about were the New York Life, the Equitable Society and the Mutual Life. They were then the largest companies and they controlled 16 percent, 10 percent and 12 percent, respectively, of the assets, or a total of 38 percent. These companies now own only about 23 percent of the assets of all companies. During recent years the assets of the Metropolitan and the Prudential have increased less rapidly than those of the other companies combined and when considered from a percentage viewpoint there has been an actual decrease in the case of the Metropolitan and Prudential, contrasted with an increase in all of the other companies.

Danger in Size Restrictions

"We would prefer that no company grow unduly large and that all large companies place the emphasis upon service rather than upon growth. Nevertheless it might be unwise to say to great, healthy, thriving organisms like the Prudential and Metropolitan that they shall not continue their natural growth. Legal curtailment might start a trend towards the disorganization of the agency forces. The result might not be in the real interest of the millions of policyholders of these two companies. While it is probably not wise to arbitrarily restrict the growth of these companies by fiat, almost everyone is agreed that the managements should be satisfied with the size attained. Not further growth but greater service should be the objective.

"The investigation has continued to insist that the life insurance companies have combined for the purpose of controlling and preventing competition. The fact that the actuaries of the companies have met at various times with Dr. Hunter, the chief actuary of the New York Life, is emphasized. The investigators do not seem to realize that with the exception of the stock companies, which sell only a small percentage of life insurance and have the power to control price to a limited extent, rates are made by experience, not agreement. They depend upon expense, return on investments, mortality, and other factors. The SEC, despite the fact that we explained the situation in our last year's report, continues to say that there has been an attempt to control the rates of group insurance and that the New York department has been a party to it.

Only Initial Rate Fixed

"In group insurance our department has cooperated with the actuaries of the companies in fixing a minimum initial rate in order to avoid cutthroat competition which at one time threatened the good of the business. The initial rate is merely a starting point. It prevents a company from taking business at a loss in order to get the better of a competitor. It permits everyone to start on the same line but each endeavors to win the race. Group rates differ very greatly according to the type of the establishment and the general character of the employees and the work they do. All rates after the first year are based upon the experience of the particular group which is insured. It is difficult to understand why so much is made of something which is in the interest of policyholders and the business generally.

Interlocking Directors

"Considerable stress has also been laid upon the large number of interlocking directors who represent the banks, the financial institutions and great industries. This is undoubtedly true and is worthy of very serious thought and consideration. Interlocking directorships are not necessarily an evil. They bring to the service of the life companies men of great financial and business experience and wide knowledge. But it is not advisable to overload the board with financiers, bankers and corporation lawyers. There must be reason in all things and many boards are undoubtedly made up too largely of financial leaders of one kind or other. It would be wise to give thought to other elements in the community, to those representing education, culture, labor and policyholders' or consumers' interests. The responsibility for the election of directors of life companies is a very important one and everything possible should be done to secure a representative as well as a strong and able board.

Simpler Annual Reports

"The making of simpler and more comprehensive annual reports to policyholders already under way in the companies has been greatly stimulated by the criticisms of company reports made by the SEC. The latest reports must make the investigators purr with satisfaction. They are replete with illustrations, graphs and diagrams, and varieties of type and design. Some have colored illustrations like Goldilocks and the Three Bears.

Policyholder Participation

"It has been constantly asserted in Washington that the management of our life companies is not democratic and that the individual policyholders have nothing to say about the management of their company. It would undoubtedly be wise for those in charge of our life companies to try to secure larger policyholder participation in the problems of management and make them more conscious of their ultimate power. At least one company has established an advisory committee of policyholders with power to investigate and even to hire outside accountants. Some make a real effort to have policyholders take an ac-

Greetings

to the Mid-Year Convention of the National Association of Life Underwriters and the One-day Sales Congress of the Kansas State Association of Life Underwriters in session in Wichita.

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and the Kansas State Association
of Life Underwriters' one-
day sales congress

The
**GREAT
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HUTCHINSON, KANSAS

WILL S. THOMPSON, President

tive part in ordinary elections. This is more practical in small companies than in the larger ones. We must do everything that we can to make life insurance more democratic but we must not imperil the continuance of wise, constructive, intelligent and able management."

New York Ruling of 1939 in U. S. Suit for Value of Life Policy Is Reviewed

The New York case referred to in an article in the issue dated March 21, relating to the government's effort in Chicago to collect delinquent income tax by attaching cash value of life policies was that of United States vs. Steele, decided by the United States district court of New York Sept. 7, 1939.

The insured had \$87,000 of life insurance. He was delinquent in his income tax payments and the collector of internal revenue filed notice of lien which was sent to the insurance company. However, nothing further was done about this for a time and then the insured died.

The collector started suit in federal district court to collect from the value of the life policy the amount of tax due, plus interest and penalties. The policy proceeds were tied up in court pending decision in this case.

Tied Up \$10,000 of Proceeds

Counsel for the collector then agreed to release all but \$10,000 of the proceeds, which amount was sufficient to pay the tax. At the insured's death the cash surrender value of his policy was \$7,280 and the tax, interest and penalties aggregated \$7,200.

The federal court pointed out Section 55a of the New York law relating to exemptions and a provision of the domestic relations statutes governing exemptions in favor of the wife. It explained that if there had been created for the wife a property right in the life insurance the insurance company could not seize the fund, but the court ruled no such right was created while the insured lived but was created at his death.

The court held the government's right could not be superior to the insured's right to get the cash surrender value and the government's right to cash surrender value ceased at the insured's death. It was implied that if the government had proceeded with its suit before the insured's death it might have had a better chance to collect from the policy.

Lawyer Says Life Policy Essential for Will

In a talk before the Plainfield (N. J.) Bar Association on "Life Insurance, Wills and Trusts," S. J. Foosaner, Newark attorney, stressed the importance of the practicing attorney possessing a working knowledge of life insurance and trust problems, these being closely related with wills.

"To make an average will practical, it is necessary to resort to life insurance," he said. "True, a good testamentary disposition or a valid trust instrument can be executed without life insurance, but validity alone cannot insure the carrying out of those benefits which the decedent had hoped to provide for his beneficiaries."

Mr. Foosaner is the author of the "Life Underwriters' Diary" of the past few years as well as many articles on life insurance, tax and trust subjects. He is the New Jersey legal correspondent for "Trusts and Estates."

Barnes Handles New Jersey

The Knight agency of Union Central Life, New York City, has appointed S. C. Barnes branch manager for New Jersey territory, with headquarters at 744 Broad street, Newark. Mr. Barnes was formerly one of the leading producers of the Mutual Benefit Life in New York City.

Duel Raps Effort to Socialize U. S.

Predicts Resumption of SEC "Witch Hunt" in Fire-Casualty Fields

MADISON, WIS.—Insidious forces which seek from within to socialize the United States, and to annex or dominate insurance, were raked with a broadside by Commissioner Duel at a banquet held here by the Wisconsin Association of Insurance Agents during the midyear meeting and school.

The Securities & Exchange Commission inquiry of life insurance conducted for the Temporary National Economic Committee was a "witch hunt," he said, and is not ended. The radical forces in Washington have not given up. Word has just come that there will be an investigation of the fire and casualty business.

The radicals whipped the railroads and utilities in line, he said, by tackling one at a time. One-third of the railroads were put in receivership and a deliberate attempt made to put the remainder in to get government ownership. The same methods were used with the utilities. Great dams were built to spend money. The banks were grabbed, or at least put under domination, with a throttle hold on them.

Insurance Was Only Hold-out

There was only one other group that the radicals wanted to whip—the insurance companies, Commissioner Duel said. The investigation was plainly intended to shatter public confidence in insurance companies.

He noted the evil effectiveness of the Hopkins plan of "borrow, spend and elect." The insurance companies could be broken or subdued as the railroads, banks and utilities were, one stick in the bundle at a time.

"The socialists will control things in this country," he warned, "unless the people unite. This is a time when all people in all walks of life must unite."

"The plan is to have an army of inspectors, regulators and supervisors who will hammer away until private capitalism goes down. This is no idle statement."

Attacks New York Proposal

Commissioner Duel attacked the New York proposal backed by Superintendent Pink to create a safety fund for life insurance by assessing companies 1/10 of 1 percent.

"This would only give jobs to a few people," he said, "to collect the money and invest it. That is about all the good it would do. It would do about as much good as the state life fund here in Wisconsin, which after many years has assets of only about \$800,000."

The commissioner said he inherited the Wisconsin life and fire insurance funds when he was appointed. He did not appear enthusiastic about them. He said he had answered Tuesday an inquiry from Alberta, Can., relating to operation of the state funds, which apparently indicated a study of similar projects in Alberta. Commissioner Duel said he wrote the Alberta people, urging that they make a careful study before taking action, especially discounting the claims of "economic wizards" who promise to make two and two add up to five. He said rather than economic wizards such people are "economic buzzards." They believe by pulling on their bootstraps they can soar into the air.

Such Projects Are "De Bunk"

Commissioner Duel characterized such theories as "delicious, delightful, lovely, but de bunk." He continued, "If I were a free lance I would really tell you what I think of this program to wreck capitalism."

Mr. Duel said there are more com-

munists, active and inactive, in Wisconsin than people realize. He said a legislator in Washington whom he taxed with doing everything possible to bring about national socialism took exception to the charge on one count—he called it "cooperative commonwealth."

"In these trying times," Mr. Duel concluded, "we have kept the insurance business steady, safe, and prevented it from drifting over into this field where the radicals are trying to send it."

Grover F. Miller, Racine, association president, presided. Talks were made by W. B. Calhoun, Milwaukee; Professor E. A. Gaumnitz, insurance course Wisconsin University; H. L. Garner, president Madison Board, who headed the host committee. A Racine contingent directed by Mr. Miller put on a playlet.

CALLED TO SERVICE

Joe Rungee, actuarial department, and David Hill, addressograph department, of the Volunteer State Life home office, have entered the service with the 181st field artillery. Captain Rungee has been with the company for 18 years and Sergeant Hill for three. They are joining Lieut. Col. Hugh Kennedy of Volunteer

State Life, who left for Camp Forrest, Tenn., several weeks ago.

Rodney G. Jones, group assistant of 55 John street, branch of Travelers, New York City, has been called for military service.

H. O. Carlson, actuary and assistant secretary Reliance Mutual Life, Chicago, now is at Camp Forrest, Tenn., as a captain in the 124th field artillery, 33rd division of the Illinois national guard. He is a son of Oscar W. Carlson, president of Reliance Mutual, who has two other sons now in active service: Maj. R. P. Carlson and Lieut. S. E. Carlson.

Extend Charter Rights in Conn.

Bills to extend until 1943 the Travelers' charter right, granted in 1939, to incorporate Travelers Life met with no opposition at a hearing before the insurance committees of the Connecticut legislature, nor was any objection raised to granting Connecticut General Life the right to incorporate Connecticut General Casualty and Connecticut General Insurance Company.

Millard Bartels appeared for Travelers, and B. M. Anderson for Connecticut General. Commissioner Blackall stated that the companies' proposals could safely be granted.

Complete Income Protection

CONTINUOUS SERVICE!

There is no doubt that a record of continuous service paves the way to additional sales. Each year the B. M. A. increases its payments to policyowners and beneficiaries. Last year the amount paid to living policyowners was \$1,902,066.37 and to beneficiaries, \$906,485.54—a total of \$2,808,551.91. To date the Company has made payments totaling more than \$48,000,000.00.

A record such as this naturally promotes goodwill and helps B. M. A. salesmen do a better job with less sales resistance. No wonder more and more people ask about B. M. A. Complete Income Protection plan.

Life-Accident-Health-Annuities-Hospitalization-Group-Term

Business Men's Assurance Company
KANSAS CITY, MISSOURI

Connecticut State Congress Develops Helpful Ideas

About two hundred agents attended the educational conference of the Connecticut State Association of Life Underwriters in New Haven. Speakers were Timothy W. Foley, State Mutual Life; John E. Spence, Penn Mutual, and James Elton Bragg, Guardian Life, New York City; J. Vincent Talbot, Northwestern Mutual, Newark; A. R. Jaqua, Diamond Life Bulletins, Cincinnati, and W. Eben Burr, association president. Robert C. Mix, general agent, State Mutual, New Haven, chairman of the conference, presided in the morning. Herbert G. Behan, Massachusetts Mutual, Hartford, vice-chairman of the conference, presided in the afternoon.

Wilbur Hartshorn, manager Metropolitan Life, Hartford, advised agents not to consider the fight against the Connecticut savings bank bill to be a losing one because the Connecticut senate had passed the bill. He explained that the bill had passed the senate before and always the real test has taken place in the lower house. It is believed by Connecticut legislative observers that the bill can be defeated in the lower house.

Illustrates Needs for Security

Speaking on "Life Insurance Selling in 1941," Mr. Bragg illustrated the need of security of all forms in these times by drawing for the prospect a series of circles. The outer circle is national and for this the government provides the principal protection. Within this circle is another, that of political liberty. Within these two is one of financial and economic security for the home. To achieve the latter, income is the only solution. There can be no real freedom in a nationally secure and free country without financial security for members of the home circle.

Mr. Bragg then suggests a careful inspection of the third wall of security in the light of changing conditions.

Mr. Bragg points out to the prospect that to determine what is required for protecting the man and his home it is necessary to analyze the relation of the man and his home to his immediate family, to other dependents, to his estate, to his business, to his creditors and to the government as a tax creditor. A careful exploration of the number of dollars needed to liquidate these obligations and a study of the method of delivery of these dollars will automatically analyze an insurance case for the salesman. Questions for each of the possible relations to the man and his home include why and when dollars should flow in each case.

It is now the salesman's problem to make these needs glow in the mind of the prospect and motivate him to act both by material and emotional fact and statement.

Approach That Avoids Prejudice

Mr. Talbot has found successful the starting of canvasses by requesting the prospect to listen with an open mind and not to become prejudiced because the agent will make a profit if a sale is made. He explains that the profit plan is the one under which we do business and through which progress has been made.

His second point is that life insurance has grown great because it furnishes what people want and is the only solution to a family's economic and social obligation. Most people want to meet these obligations and the principal question is whether they are willing to discipline themselves to do what is necessary.

Before a man considers life insurance itself, Mr. Talbot makes it clear that the prospect is an income producing property in which the family has a vested interest. If he thinks not, let him seek to avoid meeting statutory

FIGURES FROM DEC. 31, 1940, STATEMENTS

	Total Assets	Change in Assets	Surplus to Policyholders	New Bus. 1940	Ins. in Force Dec. 31, 1940	Change in Ins. in Force	Prem. Income 1940	Total Income 1940	Benefits Paid 1940	Total Disburse. 1940
Home Secur. Life..	3,434,319	+545,034	452,241 ¹	19,095,388 ²	47,216,217	+5,206,441	1,577,820	1,837,425	314,234	1,285,303
Indep. Life, Md....	792,789	+74,171	155,526	2,472,909	7,377,368	+530,833	240,211	271,782	31,847	192,988
Metropolitan Life..	5,357,791,636	+215,805,455	323,870,084 ³	2,071,380,948 ⁴	23,923,784,178	+730,035,026	797,410,513 ⁵	1,077,048,466 ⁶	608,993,958 ⁷	868,462,653 ⁸
Occidental L., Cal..	73,448,041 ¹	+7,535,180	4,036,256	74,377,500	519,339,495 ²	+29,196,786	13,016,321	21,127,455 ³	5,466,814	14,121,679 ⁴
Pyramid Life, Ark..	1,505,515	+86,463	168,919	2,621,110	14,514,378	+9,552	316,344	513,340	134,732	423,983
Rio Gr. Natl. Life.	702,648	+144,544	127,203	12,444,895	18,582,723	+2,988,120	493,585	549,531	92,729	406,617
Stand. Life, Miss..	3,144,467	+233,434	714,202	16,336,179	29,317,517	+2,076,495	803,986	976,908	244,783	754,091
FRATERNALS										
A. O. U. W., N. D..	11,660,889	-34,178	389,003	2,879,154	45,965,373	-1,083,973	1,233,562	1,897,673	1,268,444	2,055,426
Royal Neighb. Am..	77,671,814	+6,831,758	3,283,933	12,888,980	361,203,384	+17,105,562	7,724,452	12,436,322	4,132,801	5,732,583

¹Includes management funds and accident department.

²Includes A. & H. \$27,091,809.

³Includes A. & H. \$7,887,468.

⁴Includes A. & H. \$20,032,193.

⁵Includes A. & H. \$5,549,730.

⁶Unassigned funds only.

⁷Issued, revived and increased. Includes excess of group increase over withdrawal.

⁸Excludes voluntary reserve for contingencies of \$50,000.

⁹Excludes renewals of \$1,463,461.

family obligations and the courts will inform him by court order what some of these vested interests are. When guardians or trustees are appointed by the courts, these courts will insist on property insurance for the safe guarding of those who have a vested interest in the property.

Meets Objections of Wealthy Men

This explanation Mr. Talbot calls "the value concept of life insurance" and finds it effective in meeting the ob-

jection of the wealthy man that he does not need insurance because he has millions of property in forms other than insurance itself. Mr. Talbot asks, "If you had one million dollars of property in seven pieces, which would you leave uninsured? You would cover every piece of your own property, would you not? Well, your family, if you have seven pieces of property, has eight pieces because you are the eighth piece and if you would insure all your own property, why not insure theirs?"

Motivation comes from use of programming, sale of old age benefits and special closing methods. Programming helps to create "want."

Mr. Talbot approaches the old age idea by commenting that the purchase of life insurance is a commendably selfish action. An annuity makes an old person desirable to have around because when the old person dies the income dies. He doesn't press for a "yes," if the prospect wavers, but asks for the "cour-

(CONTINUED ON PAGE 34)

"What Do You Mean by Substandard?"

The selection of Life Insurance risks is, basically, a matter of classifying applicants into groups—the mortality rates of which are known from experience.

Standard rates are based on the mortality of unimpaired lives in non-hazardous occupations. Actuaries, however, having studied for many years the mortality resulting from

various occupations and impairments are able to calculate PROPER premiums for certain "substandard" groups and to classify applicants scientifically. Thus Life Insurance is extended to thousands of persons who would otherwise be deprived of its benefits. This company is proud to have been a pioneer in this field.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

Fort Wayne

Indiana

Geared To Help Its Fieldmen



Taxation Approaches Explained in Saturday Morning Forum

Federal taxes, which due to national defense needs are in a constant state of flux and increasing steadily, offer a powerful argument in the selling of life insurance, it was presented at a symposium by tax experts in the Saturday Morning Forum conducted by the Chicago Association of Life Underwriters. Not only is life insurance peculiarly suited to supply the cash needed to satisfy many federal taxes, without having to sacrifice choice investments in the estate, but it can serve, if properly arranged, to avoid tax.

Paul F. Millett, member Illinois bar and head of Millett Service, tax consultants, said there used to be a conception that only the very wealthy man had tax problems. The government, however, has redefined the term "wealthy man." Now a man with \$25,000 income pays \$340 tax on the last \$1,000 of his income.

May Affect Lower Incomes

Whether the \$15,000 man will have a substantial increase in his tax problem after the internal revenue laws are revised is a matter of conjecture, Mr. Millett said, but he will have a definite tax problem. Mr. Millett said every life agent knows, or has access to at least one man in the \$25,000 income bracket, and probably several in the \$15,000 class.

The life agent can be of service generally, which will place him in preferred position when life insurance is considered, Mr. Millett said. He cited the example of a man with \$18,000 income whose wife had \$2,000 income, the two filing a joint return. Mr. Millett pointed out if the wife should file her return separately her tax would be \$80, whereas in a joint return her portion was over \$300. Agents finding cases like this can make friends by pointing out the saving that is possible and in many cases could sell life insurance to be paid for by the tax that would be saved.

How Life Agents Can Serve

In the case of a man who has \$25,000 income and an ordinary life policy with \$2,000 premium, Mr. Millett said, the last \$3,000 of the man's gross income in effect is required to pay the premium as about \$1,000 of it goes for income tax. He is thus paying 150 percent for the insurance whereas he might make an arrangement that would bring the insurance premium down to par, perhaps by taking advantage of his gift exemption of \$4,000 annually and making a present of securities to his wife with the income chargeable to her under a separate return, or fully paying up his life policies by selling some securities or by a bank loan on the policy. This tends to deplete the estate in the amount necessary to pay the policy premium and in many cases may take the tax into a lower bracket.

Pays to Study Income Taxes

"If you can show the prospect how to raise the money for his life insurance premium a lot of the sales resistance fades away," Mr. Millett concluded. "Study everything you can find on income taxes. You will find the information extremely useful and profitable."

Bert K. Murphy, a leading agent of W. A. Alexander & Co., general agent Penn Mutual, formerly of the trust department of the Harris Trust & Savings Bank, Chicago, and later a bank examiner of Illinois, told of his tax approach methods. He deals in larger tax cases, prospecting among people with estates of \$50,000 and up. Mr. Murphy found a case in which \$90,000 tax was reduced to \$18,000 by proper arrangement including life insurance.

He gets in to see the man by telling the private secretary or girl at the switchboard, "I wish to see Mr. Jones

about a personal tax problem." This noncommittal opening excites the prospect's curiosity. Frequently he thinks a federal auditor may be on his trail about some inconsistency in his return.

How Man Indicates Estate Size

Mr. Murphy uses an income tax calculator in the interview and also a sheet of tax schedules. Placing the latter before the man, he watches closely for reactions. Usually the man runs his finger up and down the schedule until he strikes his own bracket. By following his fingers and eyes, Mr. Murphy usually can estimate very close to the man's total estate.

The first session is a fact-finding interview. He said such business cannot be concluded in one interview. Generally clients with \$100,000 or more in addition to life insurance are needed, or they won't have problems of a sufficient size to need solution. He secures introduction or reference where possible, but frequently goes "cold turkey" after securing all the information possible about the man.

"The government is changing the internal revenue laws so frequently," Mr. Murphy said, "that a man cannot successfully object his set-up is correct. The rate is steadily increasing and the rules are changing. Also in 90 percent of the cases we do find errors in the returns."

Takes Up Pension Trusts

Great savings for business and industrial concerns through putting in effect pension trusts for their employees were discussed by H. R. Schultz, Vermillion agency Mutual Life of New York. He pointed out that pension and profit sharing plans reduce the tax cost, encourage employees' loyalty and eliminate labor troubles. These are powerful arguments today in talking to employers. The pension trust approach, he said, keeps the salesman in the prospect's office longer than any other approach.

Items of real operating cost are deductible by the concern in its income tax return. The government still is looking sharply for any signs of tax evasion, but with its broad policy toward employer-employee relations permits deduction of funds set aside irrevocably in trust for employees. Thus surplus funds may be trustee and funds expended for pension plans, with consequent reduction in the excess profits and income taxes.

No Excuse for Pessimism

While there is going to be a great deal of discouragement among salesmen due to the menace of war and the heavy taxation chargeable to national defense measures, M. A. Brown, vice-president banking department Harris Trust & Savings Bank, Chicago, member National Defense Loans Committee, declared, probably an unprecedented boom in industry and business is ahead. "It is definitely on the way," he said, "and all indications presage it will be a boom such as the country never has seen before. There will be full time forced draft production in all lines and overtime employment. Such conditions will make for more spending by the people and better life insurance sales."

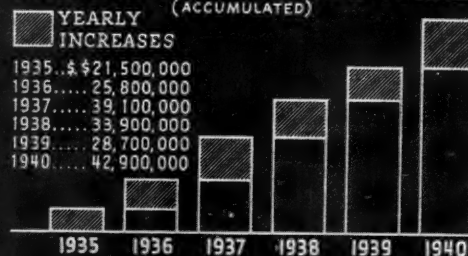
"There is no reason to be downhearted as to the future," Mr. Brown said in his talk as a banker looking at life insurance, "but every reason for being optimistic. We have been predicting dire things for 10 years. America always has had lots of trouble and always will have. In a democracy it takes time to work things out. We have many arguments about how to do things, but we still have liberty, and it is worth all it costs."

He said the war preparedness work

A Picture of Progress

INSURANCE IN FORCE GAINS

INCREASE IN INSURANCE IN FORCE (ACCUMULATED)



The true measure of progress in a life insurance company is gain in life insurance protection in force.. Connecticut Mutual has gained \$192,204,855 during the past six years, bringing the total in force to \$1,084,800,000.

*Connecticut
Mutual*
Life Insurance Co.

95 years of
Dependable Performance

Two Named by United Life, Kansas



V. L. TICKNER

V. L. Tickner, Denver, and A. W. Mason, Lincoln, Neb., have been added to the home office staff of United Life of Salina, Kan. Mr. Tickner was elected vice-president and actuary, assuming underwriting and actuarial duties of Louis Miller, who recently resigned to go with the Kansas department. Mr. Mason becomes secretary, and heads the accident and health department which United Life is adding. He also was elected a director.

Mr. Mason has had 21 years' life, accident and health insurance experience. He was assistant secretary and office manager for seven years, then associate actuary for two and one-half years of Lincoln Liberty Life. He is past president Insurance Institute of Nebraska, and past chairman Lincoln & Lancaster County Hi-Y Committee.



A. W. MASON

He assumes his post April 15, but Mrs. Mason and their son, a junior in the college of business administration, University of Nebraska, will not move there until after the present school term.

Mr. Tickner is a graduate of University of Michigan who taught insurance accounting in that college. He is a member of American Institute of Actuaries. During the world war he was associate actuary of the war risk bureau in Washington. He has had 25 years' practical experience in life insurance business, including a term as vice-president and general manager American Life, Denver, and for many years was a consulting actuary for Colorado. His family will move to Salina later, probably after his daughter finishes the school term at Lindenwood College, St. Charles, Mo.

is 40 percent of the total national production and is increasing rapidly every day. The real effects hardly have been felt as yet, because of the first \$11,000,000 preparedness contracts awarded 44 percent went to but six firms, and 95 percent of the total contracts awarded in 1940 went to only 114 concerns.

Most of these concerns are large and well financed. Their credit is outstandingly good and the government in many cases has advanced them money. From now on, however, there will be a necessity to farm out contracts. The government is encouraging this process of subcontracting in order to speed up production. This will make results of the preparedness drive more evident to the people.

It is a tremendous program, he said. It will require all the American facilities. Every tool of war that England needs will be supplied by the United States. He noted that when in December, 1938, the government spent \$328,000,000 on WPA work this seemed to the people a staggering sum, but it compares with the February, 1941, defense expenditure alone of \$600,000,000 and in July, he said, it is estimated that the government will spend \$800,000,000 for defense. By the end of 1941 it is estimated the spending program will be going at a gait of \$1,000,000,000 monthly.

"It is almost unbelievable what is ahead in this spending program," he commented. This is the most important factor in business conditions of 1941. Secretary Morgenthau a week ago said the national defense bill would reach \$30,000,000,000, of which \$25,000,000,000 has been authorized, in addition to the \$7,000,000,000 under the lend-lease bill.

George H. Gruendel, assistant manager Vermillion agency, was chairman.

C. O. Fischer, agency vice-president Massachusetts Mutual Life, and Ferre G. Watkins, Illinois department liqui-

Pleading for Policyholder, Not Sniping, Claims "PM"

NEW YORK—Intention of "PM," New York newspaper, in running its recent highly critical series of articles on life insurance was not to snipe at the insurance business, but rather to look out for the consumer, Lowell Leake, assistant managing editor, told the Brooklyn Insurance Brokers Association.

He said his paper was trying to impress upon the policyholder what he is entitled to and is trying to do a special pleading job for the people who have no opportunity to do their own pleading.

He hit hard at industrial insurance and said that the paper's stand was largely influenced by the bad features in this field.

The SEC investigation did not uncover anything that the insurance companies didn't already know, he stated, and federal regulation would not be harmful. Federal regulation of the railroads has done them some good and has resulted in the rise of the value of railroad bonds, he said.

Saint with National of Vt.

Walter M. Saint, Jr., has joined the National Life of Vermont as associate general agent in the Walter J. Stoessel general agency, Los Angeles. He has a fine record of personal production and sales management work. During his first two years in the life insurance business, 1933-1935, he was leading producer of Northwestern National Life. In 1935 he was appointed field instructor in the home office, and since then has served western agencies, working out of the home office.

dator, will talk in the final session March 29. Mr. Fischer's subject will be "Indispensable Agents."

To
complete
your sales kit...
offer
*Immediate
Disability*



*** LIFE AND RETIREMENT
PLUS IMMEDIATE DISABILITY

For a new approach, and to justify an interview with the prospect whose program is complete, the Pacific Mutual 5-Way Plan provides underwriters with an ideal solution. The 5-Way Plan is unique—in one package the prospect is offered not only life and retirement protection, but also *immediate disability protection* against sickness, accident, and loss of sight or limbs.

Pacific Mutual's 5-Way Plan gives the underwriter something different to offer his prospects. It's the tool that *completes* the selling kit.

PACIFIC MUTUAL LIFE INSURANCE COMPANY
HOME OFFICE, LOS ANGELES, CALIFORNIA

Complete Life Insurance Coverage

Life, Retirement, Accident, Sickness and 5-Way • Participating and Non-participating • Mortgage Insurance, Salary Savings, Juvenile Insurance, Salary Continuance, and other Special Forms.

PACIFIC MUTUAL SERVICE SINCE 1868

NEW YORK LIFE 96th Annual Statement

THE management of a life insurance company has a primary responsibility to its policyholders to invest the funds of the company and to conduct its affairs so that the company will be able promptly to meet all its contractual obligations to policyholders and beneficiaries when they fall due. The discharge of that responsibility carries with it a great opportunity for service to the public at large.

Because of the complexities of the present economic situation growing out of the critical period through which the world is passing, this service to the public has now become of great importance in the economic and social structure of the country. Your management is acutely aware of its responsibility to its policyholders. So also, it recognizes that much public benefit will necessarily follow from its performance of that responsibility.

Nearly one-half of the people of the United States own life insurance. From the savings of these people, who live on the farms and in the villages and the cities, come the premium payments which account for most of the income received by life insurance companies. These funds eventually go back from those companies to the policyholders and beneficiaries as payments in accordance with the terms of their policy contracts. Before such payments are due, however, the funds become available for employment in the economic life of the people as a whole in the form of investments or loans. Such investments or loans are useful to those individuals, corporations and governments who need funds to build homes, to carry on business, or to meet budgetary and capital requirements.

The life insurance companies in turn consider the probable income from these investments and loans when they calculate their premiums. Earnings are an important factor in building up the funds out of which future obligations to policyholders and beneficiaries are met. They are also a substantial factor in reducing the total cost of insurance to the policyholder.

Safety is the First Consideration

In making investments or loans it is of paramount importance that the policyholders' interests be protected and that

safety be made the first consideration. That has been the policy of this Company since its organization. It will continue to be its policy.

The Public Interest is Served

But the Company is also very conscious of the public service that is rendered through the employment of its funds. In recent years, for various reasons, the individual who has accumulated savings during the course of the year has been more and more hesitant, or has experienced greater and greater difficulty, in making his own private investment of these savings. As a result the public has put larger amounts of savings into such institutions as life insurance companies. But these savings are not stagnant or idle. In large part they are turned back into the blood stream of the national economy through investments and loans which these institutions make in accordance with the laws of the various States.

In the past ten years, the investments and loans of all life insurance companies in the country have grown from approximately \$20,000,000,000 to \$30,000,000,000. The effect of this upon our national economy is great, for, as the volume of such investments and loans has increased, the public service performed by them has likewise increased. Even a brief examination of the loans and investments of the New York Life Insurance Company will, we believe, demonstrate that it has employed its funds both with a view to safety and in the public interest.

Loans and Investments at Work

Government Bonds.—This Company's investments in bonds aggregate \$1,827,000,000. Of this amount, approximately \$800,000,000 are United States Government bonds, either direct or fully guaranteed. During the past year the Company increased its holdings in this classification of investment by about \$100,000,000. United States Government bonds are generally regarded as the prime investment security of the world. Their safety is beyond question. More than that, the Government at the present time is making huge expenditures in the interests of national defense. From the point of view of the public interest as well as the safety of its policyholders, the Company's policy is

to continue, in the present circumstances, to invest in Government securities.

Other Bonds.—The Company's investments in State, county and municipal bonds, which are likewise regarded as prime investments and which amount to over \$250,000,000, also play a great part in our national economy as well as our social advancement. They provide funds to help build schools, bridges and highways as well as other local institutions and improvements. The Company's holdings of railroad bonds aggregate approximately \$285,000,000 and help to finance the country's principal transportation system which is so essential to both the business of the country and its defense. Our public utility bonds aggregate over \$335,000,000 and, in making these investments, the Company has helped to provide the people with electric, gas, water, communication and other services.

Large and Small Loans.—Most of the corporations whose bonds are owned by the Company are relatively large because so many small borrowers do not or cannot issue bonds which are eligible or practicable as investments for a life insurance company. This Company, however, makes many mortgage loans and policy loans. Most of the policy loans are for small amounts. Mortgage loans are made in both small and large amounts. An examination of the Mortgage Loan Portfolio, which includes loans on business, residential and farm properties, shows that at the end of 1940 the Company had on its books 31,741 first mortgage loans on real estate, which, less reserve amounted to about \$420,000,000. About 27,656 of these mortgage loans, that is, 87 per cent of the total number of such loans, were for less than \$10,000 each and aggregated over \$117,000,000. About 18 per cent of the total number of such loans, that is 18,928, were for less than \$5,000 each and aggregated over \$60,000,000. About \$70,000,000 of the Company's real estate loans were FHA-insured mortgage loans.

Stocks.—The Insurance Law of the State of New York does not permit life insurance companies to invest in common stocks. As a result they cannot legally provide equity partnership capital, either for big business or for small business. However, they are permitted to invest in preferred and guaranteed

LIFE INSURANCE COMPANY

Statement to its Policyholders

stocks which measure up to certain legal requirements. This Company's holdings of such stocks, which provide additional funds for industry, amount to about \$90,000,000.

All things considered, it is apparent that the assets of the New York Life Insurance Company are at work not merely to produce return but also to do their part in advancing both economic and social progress.

Payments to Policyholders and Beneficiaries

During the year 1940, the New York Life Insurance Company paid to policyholders and their beneficiaries a total of \$204,394,345. Of this sum \$135,015,066 was paid to living policyholders and \$69,379,279 to beneficiaries. During the past ten years, the Company's payments to policyholders and beneficiaries have exceeded \$2,180,000,000.

New Insurance

New insurance during the year 1940 amounted to \$425,970,300. There were 110,896 new policy contracts made during the year and the average size of new policies was \$2,020. Although the volume of new business was slightly less than the previous year, nevertheless there was a substantial reduction in the aggregate volume of terminations, particularly lapses and surrenders. On December 31, 1940 the Company had 2,925,775 insurance policies in force for a total of \$6,895,182,749, which represented an increase of 53,541 in the number of policies and \$64,347,953 in amount as compared with the end of the previous year.

Assets and Liabilities

The total value of all bonds, which were valued in accordance with the law, was substantially below the total market value as of December 31, 1940. The aggregate amount of the Company's real estate mortgage loans was written down by \$26,000,000 to the estimated value as of the end of the year. Furthermore, the total real estate owned by the Company was also marked down in 1940 and is carried at the estimated market value. Total admitted assets amount to \$2,869,735,205, an increase of \$107,456,722 over the previous year.

In the liabilities, by far the largest item, \$2,322,671,554, is the Insurance and Annuity

Reserve computed by the Superintendent of Insurance of the State of New York. This reserve is the amount which the Company must hold in good assets so that together with future premiums and interest, it may be able to meet future policy obligations as they become due based on assumptions as to future rates of claim, interest and expense. The sum of \$38,747,490 is set aside in the liabilities for dividends payable to policyholders in 1941. In addition to a Voluntary Investment Reserve of \$50,000,000, the Company had, at the end of the year, a surplus, reserved for general contingencies, amounting to \$127,073,603.

* * *

The present high standing of the Company, its conservative financial and actuarial

standards, and the character of the organization both in the Home Office and the Field should be a source of great satisfaction to every policyholder.

A more complete report as of December 31, 1940 containing additional statistical and other information of interest about the Company, as well as a list of the bonds and the guaranteed and preferred stocks owned by the Company, will be sent upon request to the New York Life Insurance Company, 51 Madison Avenue, New York, N. Y.

George D. Harmon

President

December 31, 1940

ASSETS

Cash on Hand or in Banks...	\$50,740,231.25
U. S. Government, direct or fully guaranteed Bonds....	798,701,310.42
State, County and Municipal Bonds.....	254,278,035.73
Railroad Bonds.....	285,382,157.84
Public Utility Bonds.....	335,809,038.91
Industrial and other Bonds...	67,680,280.67
Canadian Bonds.....	85,754,443.90
Stocks, Preferred and Guaranteed.....	89,621,300.99
Real Estate.....	93,753,231.24
Home Office.....	15,374,500.00
First Mortgages on Real Estate, less reserves.....	421,904,728.35
Policy Loans.....	309,207,080.82
Interest Due and Accrued on Bonds, Mortgages and Policy Loans.....	27,181,644.68
Rents, Due and Accrued....	1,752,642.71
Uncollected and Deferred Premiums.....	32,155,465.50
Other Assets.....	439,112.66
Total.....	\$2,869,735,205.67

Of the Securities listed in the above statement, Securities valued at \$43,652,898.21 are deposited with Government or State authorities as required by law.

LIABILITIES AND SURPLUS FUNDS

Insurance and Annuity Reserve computed by the Superintendent of Insurance of the State of New York.....	\$2,322,671,554.00
For amounts not yet due on Supplementary Contracts..	166,767,005.40
For Dividends left with the Company.....	125,768,411.20
For Dividends payable during 1941.....	38,747,490.00
For policy benefits in process of settlement.....	9,096,703.04
For policy benefits incurred but not yet reported.....	1,875,000.00
For premiums, interest and rents, prepaid.....	11,360,906.19
Reserve for future expenses on Single Premium policies and Annuities.....	3,390,000.00
Reserve for fluctuations in foreign currencies*.....	4,000,000.00
Reserve for miscellaneous Liabilities (including taxes, rentals and salaries).....	8,984,531.93
Total Liabilities.....	\$2,692,661,601.76
Voluntary Investment Reserve.....	50,000,000.00
Surplus, reserved for General Contingencies..	127,073,603.91
Total.....	\$2,869,735,205.67

*This reserve is held mainly against the difference between Canadian currency Assets and Liabilities which are carried at par.

started business on April 12, 1845 and is incorporated under the laws of the State of New York.

EDITORIAL COMMENT

Reflections Upon Mr. Weissman's Talk

The speech made by S. D. Weissman of Boston before the Pittsburgh Association of Life Underwriters was of an inflammatory nature that has seldom been heard within insurance halls. Last year, it will be recalled, Mr. Weissman made a talk before the Boston C. L. U., of which he is a member, that jolted the business and that probably did serve to make leaders approach the problem of improving the lot of the worthwhile agent with new determination. Mr. Weissman did touch off a certain unrest that had been nourished in the field during a discouraging period.

The reaction to Mr. Weissman's Pittsburgh address is likely to be different. It will not be accepted as a reasoned criticism, but rather as an appeal to disunion in the insurance family. What he offers is internal discord and mutual distrust. He is decidedly sketchy when it comes to setting forth the objectives for which the disaffected should strive. He has the faculty in unusual degree of arousing a sense of grievance, but having done so he fails, we believe, to state a proper cause for those whose blood pressure he has increased.

Mr. Weissman's rather scathing treatment of the National Association of Life Underwriters will, we believe, serve to compose most of those who felt a grievance coming on. That organization is an ever more vital force for the welfare of the agent and the responsible agent knows it. To charge that the association is somehow hoodwinking the producer is to charge that C. J. Zimmerman, Holgar Johnson, O. Sam Cummings, to mention just a few of the past presidents, are in league against the agent and that is preposterous. Moreover, it is to put Harry T. Wright, the present president, in the same class. And that is absurd because Mr. Wright is a personal producer and has frequently stated that he intends to keep on being a personal producer. He has an eye single to the welfare of the personal producer and the agent could ask for no more magnificent spokesman. Moreover, it might be mentioned that the secretary of the National association is a personal producer, that nine chairmen of national committees are personal producers and that 91 members of national committees are individual

salesmen, so that the producers are well represented.

Leaders in the National association are always striving to get personal producers to become influential in the organization, but it is difficult to induce them to spend the money and devote the time to the work that is required. If Mr. Weissman could induce a larger number of personal producers to step forward in the ranks of the association and exert their influence and contribute their ideas and work, he would be applauded.

So far as his allegations regarding adjusted compensation plans, social security and pensions are concerned, his attack is poorly timed. Already a number of companies have announced adjusted compensation plans and pension arrangements for the field force and it is predicted that within the next six months there will be more such plans announced than have been announced during the past 50 years. As for social security—the old age benefit part—Mr. Weissman's remarks were not considered. Until comparatively recently there was nothing approaching unanimity of opinion on the part of the field force that they wanted to be under the law.

In the earlier days of the law, the agents would probably have voted overwhelmingly against the idea. When the companies did discover that sentiment in the field had crystallized in favor of being covered, steps were taken to bring about the desired result and there has been no stalling. There were numerous problems involved. For instance, how to bring the agent under the old age pension provision without at the same time bringing him under unemployment compensation, which no one wants. How to phrase an amendment that would apply to life insurance agents without also bringing in fire and casualty agents and other classifications that don't want to be covered. Whether an agent at age 65 could begin receiving a pension of say \$50 a month and still be permitted to write a piece of business, for instance, that might pay a commission of \$500. These problems have been tackled and real progress is being made.

Mr. Weissman's talk, we feel, was at the best ill-timed.

will back it again with all his might. He feels that it will be strengthened and fortified by the recommendations of the Securities & Exchange Commission and the Temporary National Economic Committee.

The bill has been referred to the post office and post roads committees. There are some exceptions, however, in its provisions such as newspapers and periodicals, reinsurance contracts, church and denominational corporations, fraternal, educational groups, marine insurance, commercial traveling men's associations and group insurance. It would seem to us that there are too many exceptions.

As a matter of fact, no company should be allowed to operate in any state unless it is licensed. Heretofore the direct writing fire mutuals have fought this bill tenaciously. Some of the insurance commissioners have also opposed it, declaring that it is a lead into federal

supervision. There are many abuses on part of non-licensed companies. Policyholders have no recourse because there are no local agents and there is no one to accept service in the state because the company is not admitted.

We believe the time has come to get behind Commissioner Hobbs' bill. Insurance should recognize its responsibility to the public. People are being greatly harmed because of these unlicensed carriers. Many of these people are ignorant and humble. They do not realize the difference between licensed and unlicensed companies. They find themselves paying for policies that have but little financial backing. Frequently they endeavor to secure their rights and however justifiable they are their state insurance departments cannot assist them. Insurance itself should recognize the fact that the highest good of the people deserves support of the Hobbs' bill.

PERSONAL SIDE OF THE BUSINESS

Charles F. Howell of New York City, editor "Weekly Underwriter," is one of the committee of his class of 1891 at Princeton University to prepare for the 50th annual reunion next June at commencement time on "Old Nassau" campus. This was a famous class and Mr. Howell has always been active in its affairs since graduating. The survivors of '91 may be somewhat weak on their underpinnings but they make a lively noise at reunions.

H. R. Buckman, manager insured home loan department for Old Line Life of America, Milwaukee, will speak on "Pension Plans for Bankers" at the Conference on Banking to be held at the University of Wisconsin, Madison, April 1-2, sponsored by the State Bankers Association and Banking Commission.

John E. Reilly, president of Old Line Life of America, and Mrs. Reilly will sail from New Orleans on a South American trip.

Cecil Woods, president of Volunteer State Life, has been elected vice-chairman of Chattanooga, Inc., an organization to advertise the city on a national basis. Stanley Lachman, local agent, is a director.

Marmaduke Corby, Jr., of Oklahoma City, is in a Tulsa hospital recovering from an operation. He is expected to be able to return home this week. Mr. Corby was taken ill while on a business trip to Tulsa about two weeks ago, and was rushed to the hospital for an emergency operation. He is manager of the accident and health department of his father's agency of the Occidental Life in Oklahoma and is secretary of the Oklahoma Accident & Health Association.

William Morgan, manager of Mutual Life in Hartford, is recovering in the Hartford Hospital from an operation performed last week.

J. Orlando Ogle, Birmingham general agent General American Life, almost had to buy out the florists to pro-

vide the roses for a bouquet honoring President Walter W. Head, on his visit to Birmingham to speak before the sales congress. Mr. Ogle told his agents he would buy one rose for each application they wrote during the month. They flooded him with applications.

C. Hugh Blair, Pittsburgh manager of Phoenix Mutual, is celebrating his 20th anniversary in that post. Members of the agency gave him a party at which George Oldham, who led the agency in 1940 and who also celebrates his 20th anniversary this year, presented Mr. Blair a gift.

T. J. Davies, of the Reliance Life in Pittsburgh, former all-America halfback at the University of Pittsburgh, has been named coach at Western Reserve University of Cleveland. He gave up coaching two years ago when he was head coach of Scranton University. Before that he had served as assistant coach at the University of Pennsylvania, head coach at Geneva, Allegheny and Rochester University.

John E. Davis, Massachusetts Mutual, president Pittsburgh Life Underwriters Association, has been elected a director of the Pittsburgh Better Business Bureau.

Pendleton A. Miller, Kansas general agent of New England Mutual Life, is chairman of the committee of 100 which is putting on a campaign to change Washburn College at Topeka to a city-owned college. Mr. Miller has been a very active alumnus. The proposal will be voted upon at the city election April 1.

As a fitting climax to President's Month, observed by the Washington National in March, a surprise birthday luncheon was given for President George R. Kendall in Evanston, Ill. with about 70 members of the home office staff present.

T. B. Ingwersen, Northwestern Mutual Life, Albuquerque, president New Mexico Association of Life Underwriters.

Congressman Hobbs' Bill

CONGRESSMAN HOBBS of Alabama, who has for the last few sessions of Congress introduced a bill barring the use

of the mails in the solicitation of insurance to companies in states in which they are not licensed, declares that he

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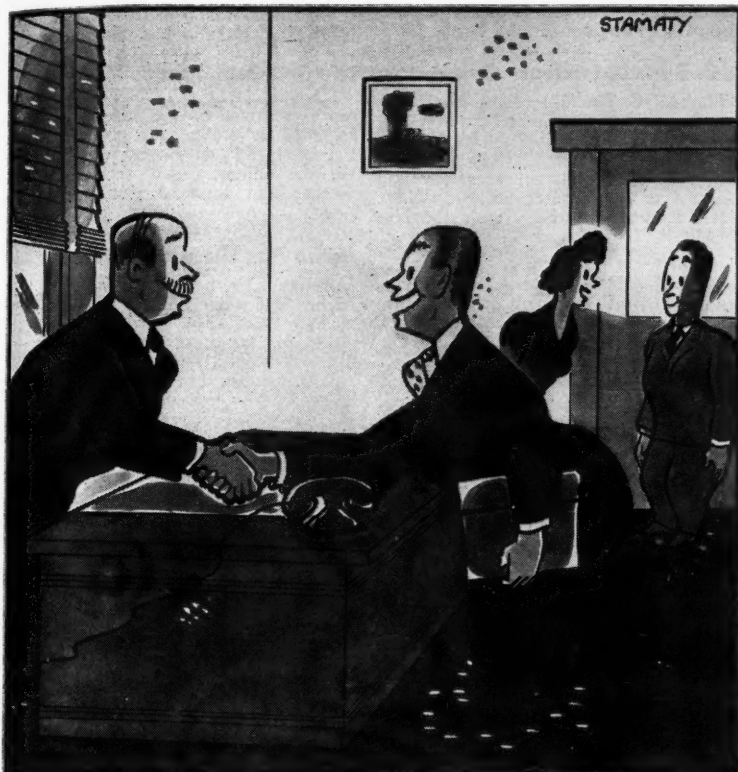
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"In addressing a prospect he says: 'Hello, how are you and you and you,' because he will get two other prospects from him!"

ers, was married to Mrs. Sarah Elizabeth Rodgers. Mr. and Mrs. Ingwersen left for a wedding trip to Arizona.

President Rolland E. Irish of Union Mutual Life of Portland, Me., has been reelected a director of the Community Chest of that city.

As a climax to President's month, which has been observed by Washington National during March, a surprise birthday luncheon was given for President **George R. Kendall** in Evanston, Ill. About seventy members of the home office staff were present.

J. L. Lawrence, San Antonio, associate general agent Lincoln National Life, attending with Mrs. Lawrence, was guest at a luncheon honoring his 20th anniversary with the Texas agency. **O. D. Douglas**, San Antonio, Texas general agent Lincoln National, was toastmaster. Mr. Lawrence was presented a morocco bound letter book, with his name and title engraved in gold letters on the cover. Before entering insurance work he was assistant cashier of the Commercial National Bank, Beeville, Texas.

Hollis L. Bridgman, San Antonio agency manager Franklin Life, was speaker before the Victoria, Tex., Rotary Club.

Maj. S. F. Clabaugh, formerly president of the Atlantic Life, has been ordered to service in London. His duties were not announced by the War Department but it is understood that his mission will be concerned with British-

American exports and imports, as he has been an officer in the Control of Exports Administration. Major Clabaugh, a reserve officer, was called to active duty last summer.

Colonel Franklin D'Olier, president Prudential and past national commander American Legion, who has just returned from a special legion mission to England, was the principal speaker at the Alexander Hamilton School, Newark, where a mass meeting was held under the auspices of the Committee to Defend America by Aiding the Allies. His topic was "Conditions Confronting the United States Today."

DEATHS

R. Andrew Smith, legislative counsel of the province of Alberta, who died recently in Bellevue Hospital, Victoria, B. C., had many insurance friends in the United States and Canada. For many years, he was one of the representatives of Alberta at the conferences of the Association of Superintendents of Insurance of the Provinces of Canada.

J. T. Grozelle, 45, Vancouver manager of the Canada Life for four years, died there. Burial was at Windsor, Ont., where he formerly was manager.

Carl Sichling, manager for Great-West Life at Belleville, Ill., died the other day. Mr. Sichling joined Great-West Life in Illinois in 1927 and immediately established himself as a consistent producer. In 1931 he was appointed district manager at Carbondale and in 1936 was made branch manager there. In 1938 the branch was moved from Carbondale to Belleville.

Frank Bergin, 58, home office cashier and an employee of the National Life & Accident for 27 years, died while playing golf. He served as superintendent and cashier of the New Orleans office for 12 years.

Hughes to Speak April 3

E. W. Hughes, Chicago general agent Massachusetts Mutual Life, will address the monthly luncheon meeting of the General Agents & Managers Division of the Chicago Association of Life Underwriters April 3.

Texas Force of Minnesota Mutual Holds Rally

Harold J. Cummings, vice president and superintendent of agencies, and **Alan D. Harmer**, agency secretary, addressed the regional sales conference of Minnesota Mutual Life's Texas agents held in Monterrey for four days. Session chairmen were selected according to production records of their agencies.

Mr. Cummings interpreted the annual statement, noting progress in 1940. **D. O. Johnson**, San Antonio general agent, presided. Mr. Harmer outlined several methods of prospecting. He said cold canvass was as a means of keeping alert and developing an effective sales presentation. Personal loan departments of banks offer a means of disclosing need for credit insurance. Direct mail must be followed up, he said, for effectiveness.

A. J. Ballard, San Antonio, described his method of prospecting, stressing the importance of service through civic and religious or fraternal work and of serving the policyholder whenever opportunity offers.

G. E. Nowotny, New Braunfels, described the building of goodwill through connection with chambers of commerce. **Lyman King**, Dallas, stressed the securing of the prospect's cooperation during the sales presentation. Russell

Pearson discussed making contacts in recreational clubs. **R. L. Bowman** emphasized the use of change of age and birthday cards. Mrs. Eunice Rawls, Houston, stressed the need for keeping busy and seeing people, especially applying this to the beginner.

A banquet was held with Russell Pearson, Fort Worth, as chairman. Sweaters were presented to agents who qualified for the "football team," and certificates to those who qualified for the President's Dozen and Randall clubs.

In the final session, William Wilson, Denison, was chairman. Mr. Harmer discussed inflation and deflation. More insurance is sold in periods of rising prices or inflation, he said.

Kluss to Speak in Iowa

WATERLOO, IA.—**C. L. Kluss** of E. S. Hewitt & Associates, Chicago, will speak at the spring meeting of the Iowa Quarter-Million Dollar Club here April 6-7, on "Taking Advantage of Current Conditions." He is a former Iowan and a graduate of the University of Iowa.

A round table discussion will be held the afternoon of the second day. Officers will be elected.

Military Service & Life Insurance answers all your questions. 50c, National Underwriter.



WHAT'S GOING TO HAPPEN? INFLATION COMING? WHAT'S THE USE OF SAVING?

Those are the BIG questions today, for everyone with a dollar to invest in future security.

Now, as in all troubled times, people turn to life insurance for its stability and for sound, long-range investment safety. To these people, and to thousands being added to factory and plant payrolls, Minnesota Mutual's unique Pay-Roll Deduction Plan offers attractive advantages. Any type of insurance—including complete family insurance for any employee—can be purchased through small monthly payroll deductions.

Over 500 firms now using this plan are doing so at practically no expense to them.

Our Field Force enjoys these ADDITIONAL advantages:

1. A liberal agency contract
2. A plan for financing your agency
3. Accounting methods to guide you
4. Proven plans for finding—training agents
5. A liberal financing plan for your agents
6. A unique supervisory system
7. Organized Selling Plan
8. Unusually effective selling equipment
9. Policies for every purpose: Regular — Family — Juvenile—Women—Group—Payroll-Savings, etc.
10. Low monthly premiums

A \$240,000,000 Mutual Company, 61 years old, with an understanding, cooperative Home Office

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

Saint Paul, Minnesota

OPPORTUNITY:

Live, progressive Catholic life insurance organization has good territory open in Wisconsin and Minnesota for men with proven production record, who are willing to work on a full-time basis. Only men with sales experience, good personality and approach need apply. All replies will be held strictly confidential. Address inquiries to Box M-66, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

ASSISTANT SUPERVISOR WANTED

Chicago office of one of the largest eastern life insurance companies has opening for young man as assistant to supervisor. Salaried position. Must have some sales experience in life insurance. Splendid opportunity for the person who can qualify to develop into a full supervisory position. Address X-28, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

NEWS OF THE COMPANIES

Alliance Life Shows Good Gains

The 1940 operations of Alliance Life of Peoria, Ill., produced an annual statement that contains many gratifying features. President M. A. Kern points out that for each \$1,000 of insurance in force, Alliance has a surplus of \$31.09. Moreover surplus is equal to 49.4 percent of the reserves.

Insurance in force has crossed the \$100,000,000 mark, the exact figure being \$100,234,817. This is an increase for the year of \$6,000,000.

Payment to policyholders and beneficiaries during the year amounted to \$2,028,944 and for the past seven years such disbursements have been \$11,523,276.

Assets now stand at \$19,887,861. Life insurance policy reserves are \$16,936,853. Capital is \$600,000, net surplus \$588,216 and surplus funds reserved for contingencies \$720,496.

Alliance Life does an accident and health business as well as life and it also transacts a life reinsurance business.

Oregon Mutual Issues Streamlined Statement

The Oregon Mutual Life is a company that is endeavoring to streamline its annual financial report getting it out not only in an artistic and graphic typographical way but bringing salient facts before policyholders so that they are understandable. It uses suitable drawings to emphasize the significance and importance of different items. It employs the newspaper technique in headlines and subheads so that at a glance one can become acquainted with the paragraph in which he is interested. That is, the headings tell the story. One heading is "More Money Paid to Policyholders and Their Beneficiaries." Another is, "Mortality Savings Continue Favorable." It explains its dividend policy, saying that in line with continued favorable savings in mortality and the downward trend of interest rates "dividends on those policies having a high protection element will be increased during 1941, and those on other contracts with a high investment element will be reduced." The net interest earned for the year was 3.94 percent.

Particular attention is directed to the training facilities which the company has placed at the disposal of its agents. It tells about its plans for 1941. Of particular significance is its decision to recognize the definite downward trend in interest rates by establishing premiums based on 3 percent instead of 3½ percent on all policies written after March 15, this year. It also tells why it has adopted the American men ultimate table of mortality to replace the American experience table, it claiming that the latter is out-moded. It explains that during the last 20 years, mortality experience, especially among younger lives, has changed considerably, and enough time has elapsed to establish the fact that this trend is permanent.

Life of Virginia Observes Its Seventieth Anniversary

RICHMOND—The Life of Virginia is celebrating its 70th anniversary. Granted a charter April 21, 1871, it has the distinction of being the oldest southern life company. It started out in business in Petersburg but its home office was moved a few years later to Richmond.

In celebration of its birthday, 50 representatives of the Richmond district attended an "early bird" breakfast at which John P. Williams, educational director, American College of Life Underwriters, was the guest speaker. The

Richmond district, of which Herbert R. Hill is manager, was the company's leading district in production of ordinary business last year.

Shaw and Kiesling Are Named Agency Assistants

Howard D. Shaw and Leonard C. Kiesling have been named agency assistants by Continental American Life to carry out the expanded agency objectives.

After experience in the advertising field and life insurance selling, Shaw



H. D. Shaw



L. C. Kiesling

entered the agency department of Continental American in 1938. Since the first of this year he has been responsible for the home office supervision of the use of the pocket plan book, including compilation and interpretation of statistics and data, preparation of advertising, advertising literature, "Brass Tacks," other agency bulletins and agency printing.

Mr. Kiesling, after several years' life insurance experience, became cashier of the Wilmington agency of Continental American in 1933 and entered the Agency Department in 1935. Since Jan. 1 he has been responsible for the detailed follow-up required for maximum results under the new Minute Men Club and of pro rata qualifications in other production clubs. In addition he makes arrangements for the various agency meetings, home office operations in connection with agents' licenses and new contracts, agency correspondence and supervision of the clerical staff of the agency department.

Both assist R. E. Halstead, superintendent of agencies in miscellaneous duties.

J. P. Parker of Chicago to Acacia Mutual Head Office

James P. Parker, supervisor for the Thurman agency New England Mutual Life, Chicago, has been appointed assistant superintendent of agents of Acacia Mutual Life at the home office in Washington. Mr. Parker, a Cornell graduate, has been in the insurance business 11 years, all of which have been with the Thurman agency.

Succeeding Mr. Parker as supervisor is E. B. Thurman, Jr., who was previously an agent. Mr. Thurman, who has been with the agency since his graduation from Northwestern University last June, is the son of E. B. Thurman, head of the agency.

Pan-American Life Names Trenchard Vice-president

Louis B. Trenchard has been appointed vice-president and manager of the mortgage loan department of Pan-American Life. Mr. Trenchard has been associated with the company since 1912 and his appointment is in recognition of his splendid efforts as manager of the loan department during these years. The reduction in the company's real estate account is due greatly to his personal efforts and places the Pan-American in a position of having one of the lowest

percentages of real estate owned to total resources of any company.

T. C. Rudicill to Home Office

Thomas C. Rudicill of St. Louis has been appointed superintendent of agencies of the National Life of Des Moines. He succeeds Robert Orriny, who has been appointed assistant secretary and assigned to home office duties.

Mr. Rudicill has been with the National Life 18 years.

R. L. Crutcher of McAlester, Okla., has been named chairman of the finance committee of the Mid-Continent Life, Oklahoma City.

SALES MEETS

Regional Rallies in South

The American National held a regional meeting in Birmingham with J. O. Sain, agency supervisor, as chief speaker. He was introduced by G. L. McCarter, superintendent of agencies. C. L. McDonald, Chattanooga general agent, was presented a wrist watch in appreciation of his record last year.

A convention for South Carolina rep-

resentatives was held in Columbia with Mr. McCarter and Mr. Sain in charge.

Life & Casualty Sales Meeting

KNOXVILLE, TENN.—About 100 representatives of the Life & Casualty attended a state sales meeting here. Principal address was by Vice-president W. V. Walker. Vice-presidents C. H. Herron and Guilford Dudley, Jr., presided.

Aetna Has Utah-Idaho Rally

Aetna Life agents from Utah and Idaho held their annual sales congress in Salt Lake City. The program consisted for the most part of round table discussions, by General Agent J. T. Butler, W. O. Smith and Roy Simons. The home office was represented by A. H. Hiatt, Jr., superintendent of agencies, who spoke on "Life Insurance in Action."

Ohio National Cheyenne Rally

CHEYENNE, WYO.—Twenty-five agents of the Ohio National Life from Colorado, Wyoming and Nebraska gathered here. John H. Evans, vice-president, was in charge of the meeting. Local arrangements were made by Floyd H. Farnsworth of Cheyenne, Wyoming state manager.

The State Life of Indiana

- Is a Mutual Legal Reserve Company Founded 1894
- Is in its Forty-Seventh Year of Dependable Service
- Has Paid \$127,000,000 to Policyholders and Beneficiaries
- Holds Assets of over \$53,500,000 for their benefit
- Issues Policies from Ages One Day to Sixty-Five Years
- Issues Policies on Male and Female Lives at the Same Rates
- Issues Policies with Double Indemnity and Disability Benefits
- Issues Juvenile, Educational Fund, and Family Income Policies
- Issues Salary Continuance and Retirement Income Policies
- Issues Many Other Standard and Up-to-date Policy Forms
- Offers Agency Opportunities and Training for Those Qualified.

THE STATE LIFE INSURANCE COMPANY

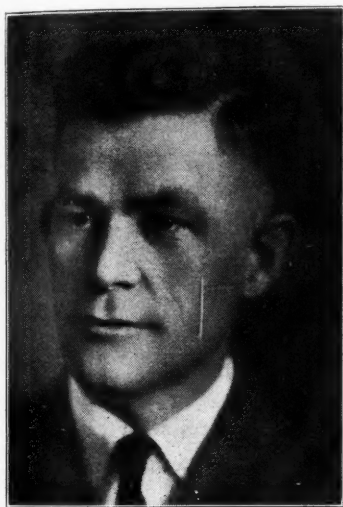
Indianapolis, Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

LIFE AGENCY CHANGES

Union Central Arkansas Change

LITTLE ROCK, ARK.—Maj. James J. Harrison, for 10 years Arkansas manager of Union Central Life, will resign about April 1 to devote full-time to duties as state director and acting regional director of the Office of Government Reports. His successor will be Joseph



JAMES J. HARRISON

Cooper, now general agent at Lincoln, Neb., and formerly associate manager at Little Rock.

Major Harrison was appointed in 1934 as state director of the Office of Government Reports and he recently was given added duties as regional director for Arkansas, Louisiana and Mississippi. The decision to devote full time was reached at a recent conference in Washington with Lowell Mellett, executive assistant to President Roosevelt.

An ally of the late Governor McRae and the late Senator Joseph T. Robinson, Major Harrison in recent months has been actively associated with Governor Adkins and that relation will be continued. He will also be active as a member of the Arkansas Defense Council and as coordinator of federal activities in the three states, in which large defense projects, principally army camps, are located.

After graduation at Hendrix College, Major Harrison taught at Fordyce and in the first war was a major of infantry. He was vice-president of the former Home Life of Little Rock before appointment by Union Central. He has served as president of the Little Rock Chamber of Commerce, director of the Little Rock Community Chest and as commander of the Arkansas department of the American Legion.

Metropolitan Kansas City, Salina Heads Switch Posts

Henry V. Party and Roy G. Denison have traded managerial positions with Metropolitan Life. Mr. Party, who has been manager of the Metropolitan office in the Midland building at Kansas City, becomes manager at Salina, Kan., and Mr. Denison, formerly Salina manager, takes over the office in Kansas City.

Mr. Party was postmaster at Bonnot Mill, Mo., for nine years prior to joining Metropolitan in 1925 at Sedalia, Mo. He served subsequently as assistant manager in Sedalia and Jefferson City, Mo., and then was manager at Pine Bluff, Ark., and Moberly, Mo., before being assigned to Kansas City.

Mr. Denison joined Metropolitan in 1923 and in 1930 was made manager at Leavenworth, Kan. A year and a half later he was transferred to Salina. He

is a past president of the Kansas Association of Life Underwriters.

Rosenthal Named St. Louis Manager by Acacia Mutual

Adam Rosenthal has been appointed St. Louis manager by the Acacia Mutual. He entered life insurance in St. Louis 14 years ago with the Morton & Morton agency of the Connecticut Mutual, where he was a very successful personal producer.

In 1939 Mr. Rosenthal was appointed production manager in the St. Louis department of the Reliance Life and the production of the agency has consistently increased with a record of 19 out of 22 paid plus months.

Mr. Rosenthal has always been active in association affairs, serving as both president and national committeeman of the St. Louis Life Underwriters Association. He has given numerous talks before other associations on settlement options.

Allen Is Dayton General Agent for Mass. Mutual

Thomas P. Allen, for three years assistant to Gibson Lewis, Massachusetts Mutual general agent at Brooklyn, will be transferred April 1 to Dayton, O., where the company's office will henceforth be known as the Allen-Bimm agency.

Mr. Allen will be general agent and Harry L. Bimm, who has been in charge of the agency since 1936, will be associate general agent, largely devoting his time to personal selling.

Mr. Allen entered life insurance with Massachusetts Mutual's Long Island agency in 1934. With sales aggregat-

ing more than \$2,000,000, his average annual production is over \$300,000, and he has made one or more sales weekly for 321 weeks.

Before entering insurance he was engineering assistant in the highway department of Suffolk County, N. Y.

Withers New Des Moines Manager of Sun Life

William R. Withers of Philadelphia has been appointed Des Moines manager for Sun Life of Canada. He takes the place of J. G. Storrs, who has resigned because of the condition of his

health. Mr. Storrs has been with Sun Life for 12 years.

Mr. Withers went with Sun Life in 1927 in Detroit and later became cashier and assistant branch secretary there. He was transferred to Denver as branch secretary in 1936 and to Philadelphia in the same capacity in 1937. He entered field work in 1939 and in his first year became one of the top producers.

Williams Named in Jacksonville

Harold E. Williams has been appointed as general agent in Jacksonville, Fla., by Pacific Mutual Life. The past five years Mr. Williams has been with



A Winning Combination

for the life underwriter who wants to get ahead is the Western Life's personal-producer general agent plan. One, for instance, in 1940 personally paid for \$156,038 business on which he earned \$2,565.65. Renewals and bonuses on personal business yielded \$1,173.48 and agency earnings added another \$2,722.50 making his total yearly income \$6,482.43.

WESTERN LIFE INSURANCE COMPANY

Since 1910

HELENA MONTANA

R. B. RICHARDSON
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Assets \$15,516,096
Surplus \$2,400,000

LEE CANNON
Agency Vice President

SUN LIFE OF CANADA

"Assures Security"

BRANCH OFFICE AND AGENCY
SERVICE THROUGHOUT THE
NORTH AMERICAN CONTINENT

HEAD OFFICE MONTREAL

the Emory L. Jenks general agency in Atlanta, where he has made an outstanding record in the field.

Love Is General Agent of N. E. Mutual in Peoria

New England Mutual Life April 1 will open a new general agency in Peoria, Ill., and has appointed James R. Love, as general agent. Mr. Love goes from the Edgar C. Fowler agency of New England Mutual in Chicago,



JAMES R. LOVE

where he has been a leading agent. The new agency will have offices in 1006 Commercial Merchants Bank building, 301 South Adams street.

The Springfield, Ill., agency is being discontinued and absorbed by the Peoria general agency. After eight years' service, the Springfield general agent, H. Drew Lapp, has resigned to devote more time to his personal clientele.

Mr. Love has had broad, successful experience of 15 years in life insurance work. He writes a substantial volume and has averaged about \$50 per \$1,000 in paid premiums. He was connected with the Fowler agency for seven years, and prior to that for nine years with Phoenix Mutual Life in Chicago. His business background includes nine years in the publishing field, connected with "Prairie Farmer" advertising department, traveling in central Illinois territory. He has been a contributor to insurance journals and has become well-known as a speaker at life underwriters meetings.

Travelers Appoints Field Assistant

Norman Harper, Pasadena, Cal., has been appointed field assistant in the life department of the Los Angeles branch office of Travelers.

Stephen T. Hanscom, Waltham, Mass., has been appointed field assistant in Boston.

Powell Manages London Agency

George Powell is returning from Halifax to London, Ont., to become manager there for Northern Life of London. Mr. Powell has been in the life insurance business for 10 years and is a C. L. U.

Agency Opens Life Department

Merriam, Ellis & Benton, Kansas City, Kan., one of the oldest and largest general insurance agencies there, has opened a life insurance department and has been appointed general agent for National Reserve Life of Topeka.

Gleason Spokane Manager

Arnold A. Gleason of the Spokane, Wash., agency of the Union Central Life has been promoted to manager there. He succeeds Joseph Whalen,

who retired last September because of illness.

Mr. Gleason is a consistent \$500,000 a year producer and has been with the company for nine years. He was installed by Mark Trueblood, inspector of agencies for the Union Central on the Pacific Coast.

Reese with General American

D. H. Reese, formerly with the Provident Mutual Life, has been named Saginaw, Mich., general agent by the General American Life. He has been in the business 18 years.

Ralston Named at Cedar Rapids

Weston D. Ralston has been appointed general agent of Minnesota Mutual Life at Cedar Rapids, Ia. He was formerly with Equitable of Iowa and Travelers.

Marcus A. Wolf Insurance Agency, Columbus, has been appointed district manager for central Ohio by Reliance Life. G. G. Kleinmayer, who has been district manager for counties north of Columbus, will be manager of the life department of the agency.

CHICAGO

HOW TO VERIFY DATES OF BIRTH

At a round table session of the Chicago Claim Association William Elliot of the Retail Credit Co. related his own experiences in verifying dates of birth. Other members of the round table supported him with anecdotes and suggestions.

Charles Grady, Metropolitan Life, and Warren Stinson, Mutual Life of New York, discussed disappearance cases. From the discussion that followed, further practical information emerged.

FRED. S. JAMES & CO. MOVES

Fred S. James & Co. will move its general offices in Chicago to new quarters at One North La Salle street next week-end, returning to the corner of La Salle and Madison streets, where in the spring of 1872, a few months after the Chicago fire, Fred S. James opened a "below-the-sidewalk" insurance office. The move brings to the center of the loop and to the One North La Salle building, which now houses many large life offices, a multiple line agency with a complete set of fire maps for Chicago and Cook county.

Entrance to the new Fred S. James & Co. offices direct from the building

lobby marks a return to what was once considered an absolute necessity in location. The new offices are among the finest and most modern. Appointments have been made for completeness and convenience in all details. A washed forced air ventilating system supplies all departments and private rooms and offices. The fluorescent lighting system is a thing of architectural beauty with troughed fixtures, except in the reception and elevator lobbies where they are surface mounted. Ceilings have been deadened against sound. Floors are laid with asphalt and rubber tilings.

On the third floor, off the reception lobby, are the associated brokers' offices

and at the rear the supply rooms. The building is constructing an auditorium with a seating capacity of 150 for use of the building's tenants. Fred S. James & Co. public forum meetings will be held here.

Since Fred S. James opened his office in 1872, there have been three men who have been largely responsible for the success of the organization. They are Fred S. James himself, who continued active leadership until his death in 1927, George W. Blossom, who became associated with Mr. James in 1887 and who is now chairman of the board, and George W. Blossom, Jr., president since 1929. Other firm members who are di-

STATE MUTUAL Brokergram

With contracts available under eight different plans and with the age limit now reduced to 4½, Junior Insurance opens up a new market for State Mutual brokers.

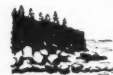
Junior Insurance has a wide appeal, is popular and easy to sell. It teaches thrift and not only provides life insurance protection at low cost, but guaranteed cash savings for education, a career, a start in business.

State Mutual Junior Insurance is a wide open door to increased earnings for 1941.

Our new solicitation folder, a valuable sales aid to brokers may be obtained from your nearest State Mutual General Agent who will gladly co-operate with you in helping make the sale.

State Mutual Life Assurance Company
of Worcester, Massachusetts

INCORPORATED 1844



Rugged as New England's Rock Bound Coast



LIFE REINSURANCE—

STANDARD AND SUBSTANDARD

North American Reassurance Company

Lawrence M. Cathles, Pres.

99 John Street, New York

rectors and officers are Elmer J. Schaefer, Charles Buresh, Karl D. King, Francis R. Blossom, W. H. Stevens, A. M. Jens and J. C. Griswold. Fred. S. James & Co. was one of the first multiple line agencies to open a life department.

BRANCH TO NEW QUARTERS

The Bankers building branch of New York Life in Chicago will not move to 134 South La Salle street in the concentration of that company's organization largely in the one building, as was related in a news item last week. Instead the branch will move soon to much better quarters in the tower of the Bankers building.

McAULEY IN LARGER OFFICE

Robert F. McAuley, district manager of Wisconsin National Life in Chicago, will move his agency March 28 into new quarters in Room 305, at 2400 West Madison street, where the office has been located for many years. The new space is about twice as large as the old office. The telephone number remains the same, Seeley 3721. Mr. McAuley plans to open a brokerage department which, for the time being, he will direct. He will accept business from licensed brokers. A feature is consideration of applications from adults and juveniles in amounts as low as \$500.

POST MORTEM FIRM TAKEN OVER

New Home Benefit Association, a so-called mutual benefit concern of Chicago, is now in the hands of the liquidation bureau of the Illinois insurance department. The assets received by the liquidator are \$1,000.03. It was operated by George Cobb at 166 West Jackson boulevard. He also operates a burial society, Interment Insurance Association.

MANAGERS

Mutual Problems Discussed with Lawyers and Bankers

BUFFALO—More than 100, representing life insurance, banks and the bar, gathered for a dinner meeting to discuss problems arising out of assignment of life insurance policies to banks for loans.

The meeting, sponsored by the Buffalo Life Managers Association, furnished each group an opportunity to express its views and hear the other interests. L. G. Thebaud, president of the Buffalo life Managers, presided.

Simplest Assignment Form Best

Speaking for the banks, C. E. Rhodes Jr., assistant secretary Marine Trust Company, said in recent years banks have come to realize that loans on life insurance are desirable investments. Each loan must be given individual consideration, he said, both as to the willingness and ability of the borrower.

Alger Williams, president Erie County Bar Association, speaking for attorneys, discussed assignment forms and said the simplest form is the best. He suggested that life insurance agents sell policies that are payable outright to an estate to protect the balance of that estate after deductions are made.

Policy Changes Must Be Made

Speaking for life insurance interests, W. A. Schworm, president Buffalo Life Underwriters Association, urged that policyholders be advised that certain changes must be made in the policy if an assignment is made. He also urged that more of this type of business be done with local banks. He said 85 percent of the loans now being made on policies in Buffalo are going to out-of-town banks and suggested that more of this business should be done at home. He said bulletins on the findings of this meeting would be published by the

Managers Association and distributed to all those attending.

Discuss Soldiers Relief Act

"The Soldiers and Sailors Relief Act of 1940" was discussed by Harry N. Lyon, Fidelity Mutual Life, before the San Francisco Life Agency Cashiers Association. Mr. Lyon, chairman of the San Francisco Quarter Million Round Table and a graduate of Annapolis, writes most of his volume on members of the armed forces of the United States.

Miss Kate Ahern, Guardian Life, discussed "Romance and Growth of My Company." This is a regular feature, various members being assigned to discuss their companies.

Wants Life Insurance in Schools

At a meeting of the Utah Life Managers Association in Salt Lake City J. M. Wallace, vice-president Walker Bank & Trust Co. and former mayor, spoke on "Estates Through Life Insurance." He said people will now have to build their estates through life insurance, for "the chances of getting rich in any other way are diminishing." He believes the youth of the country should be taught something about life insurance and how it fits into the family picture. He recently was informed by Utah superintendent of public instruction that a group of 1,500 pupils have a definite course which includes life insurance, and that another group of 50 in a "current affairs" class are studying the same subject. "It's a healthy sign," he said, "and augurs well for the future. I wish this practice in the schools everywhere was more general."

Discuss Building Agency Morale

The final seminar session of the San Francisco General Agents & Managers Association was held Monday evening on "Building Agency Morale." Leaders in the panel discussion were: Donald Hampton, Provident Mutual Life; W. J. Arnette, Fidelity Mutual; W. H. Brock, Jr., Union Central, and H. W. Storck, California-Western States Life. F. J. Van Stralen, chairman of the seminar committee, presided.

Dolwick Is Columbus Speaker

The Life Managers & General Agents Association of Columbus held a meeting Tuesday at which Ray Dolwick, Phoenix Mutual Life, Cleveland, spoke on "Developing Skills."

Boston Supervisors Hear Hall

The Supervisors Club of Boston was addressed by James P. Hall, agency su-

pervisor, New England Mutual Life, who reported on the training conference recently held at Saratoga Springs, N. Y.

Security L. & A. Appointments

Allen A. Jayne of Los Angeles has been named southern California manager by Security Life & Accident of Denver. He has an extended background of life insurance work for his new post, having represented Travelers, Kansas City Life and Atlas Life. He also was a partner in the Jayne-Purdom local

agency in Los Angeles for a number of years.

A. J. Grosscup has been appointed manager at Bremerton, Wash. He was for some years with the New World Life in Idaho and with the Kansas City Life and Connecticut Mutual at Portland, Ore.

Skirrow Heads Nominators

S. T. Skirrow, secretary of Great American, has been appointed chairman of the nominating committee for the Insurance Society of New York. The annual meeting will be held May 20.

CONGRATULATIONS!

The Indianapolis Life Insurance Company has always enjoyed low lapse ratios, but—during 1940 the Renewal Lapse Ratio was the **LOWEST IN THE COMPANY'S HISTORY. TO DATE 1941 SHOWS EVEN A LOWER RATIO.**

The Company congratulates its splendid field force. Through their service to policyholders and their cooperation with an alert Home Office Conservation Department, this record was made possible. Leaders in low lapse ratios receive special recognition.

FIELDMEN are also congratulated upon the fact that **THE NUMBER OF MEN PAYING FOR OVER \$100,000 INCREASED 32% IN 1940 OVER 1939.**

INDIANAPOLIS LIFE INSURANCE COMPANY

A Legal Reserve, Mutual Company

Organized in 1905

Over \$115,000,000.00 of Insurance in Force

Quality underwriters who appreciate the complete kit of policy contracts and the service rendered by the Company are finding a splendid future with this Company.

Agency opportunities in Indiana, Illinois, Ohio, Michigan, Minnesota, Iowa and Texas.

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"One of The Best"

**CENTRAL LIFE
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DES MOINES

NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

Revised Premiums of National L. & A.

National Life & Accident has changed its premium rate due to placing the valuation of ordinary policies on American Men Ultimate $\frac{3}{4}$ percent table, which generally produces reserves slightly greater than under the American Experience 3 percent table.

Settlement options have been changed to a base of $\frac{3}{4}$ percent for installment options and where life contingencies are involved, settlement options are differentiated by sex. Policy loan interest was reduced to 5 percent, payable in arrears. Extended insurance is to be the automatic nonforfeiture option.

Policies have been rewritten to break down the paragraph and simplify the wording.

The new rate book is being distributed to the agents. It does not contain the rates on annuities which, for the time being, are the same as last year. The new policy forms provide for no deduction of fractional premiums for the year of death but call for refund of any premiums paid in advance of the month of death.

Five new policies are being issued, preferred risk 25 payment life, family income form, and a series of new retirement income forms at 55, 60 and 65. The endowment at 85 has been withdrawn and there is substituted for it the life paid up at 85. Illustrative premium rates at quinquennial ages per thousand are:

Illustrative Premium Rates

	Fam. Ag. Spc.	Mod. *Life	Prof. Life	Life P.U. at 55	Prof. 25 Pay Inc. Life
20	11.19	7.43	13.62	15.24	21.99
25	12.47	8.46	15.42	17.05	23.70
30	14.11	9.79	17.71	19.35	25.95
35	16.37	11.58	20.75	22.41	29.16
40	19.46	13.99	24.79	26.70	33.96
45	23.74	17.27	30.14	32.45	40.77
50	29.80	21.73	37.23	40.14	46.90
55	39.29	28.06	46.97	50.54	55.78
60	...	36.91	59.93	64.77	...
65	...	...	77.30	84.62	...

*Prem. 1st 5 years; thereafter double.

	20 Pay Life	Life P.U. at 65	20 End. at 65	End. at 65	End. at 60	End. at 55
20	22.41	15.91	43.36	17.18	19.40	22.52
25	24.67	18.03	43.56	20.20	23.12	27.38
30	27.34	21.02	43.91	24.15	28.14	34.24
35	30.68	25.19	44.69	29.57	35.32	44.69
40	34.87	...	46.20	37.26	46.20	62.24
45	40.15	...	48.77	48.77	64.24	97.42
50	46.90	...	...	67.53	99.95	...
55	55.78	...	...	104.01	...	...
60	67.82	...	...	...	...	...
65	84.62	...	...	...	...	...

Retirement Income

	at 65 men	at 65 wmn.	at 60 men	at 60 wmn.	at 55 men	at 55 wmn.
20	20.83	22.37	26.20	28.45	34.20	37.24
25	24.69	26.59	31.60	34.43	42.31	46.16
30	29.73	32.12	38.98	42.60	53.87	58.96
35	36.67	39.74	49.58	54.35	71.77	78.80
40	46.70	50.69	65.85	72.39	101.99	112.34
45	61.80	67.38	93.33	103.01	162.87	179.78
50	87.11	95.33	148.51	164.17	...	...
55	137.19	150.95	...	...	...	...

Massachusetts Bank Dividends Are Cut

BOSTON—The Massachusetts savings bank life insurance plan has established a new dividend base for its 26 issuing banks for the current year, which will call for an average reduction of about 17 percent.

In addition, seven of the issuing banks will make a further reduction in their individual dividend rates amounting, as a whole, to a reduction of about 50 per-

cent from last year's dividend. The banks in question have announced that the first year dividend will be the same as for 1940 for the first year and then will be gradually reduced for each year until the fifth year and thereafter when the reduction will be 50 percent.

The seven banks making the extra reduction are the Berkshire County & City Savings at Pittsfield; North Adams Savings Bank, Waltham Savings Bank, Canton Institution for Savings, New Bedford Institution for Savings and Massachusetts Savings Bank of Boston.

Teachers Insurance Makes Dividend Adjustment

The appropriation for dividends of Teachers Insurance & Annuity of New York for 1941 is somewhat less than that for last year and the dividend distribution will differ.

The dividends for policies written prior to 1936 on the basis of a $\frac{3}{4}$ percent interest assumption will be less than the corresponding dividends paid in 1940 wherever necessary to reflect current interest earnings. The reductions vary with age at issue and plan of insurance.

Policies written since 1935 on a 3 percent interest assumption will receive dividends calculated as they have been during recent years. Because of favorable mortality experience in connection with collective insurance, dividends granted in the form of additional insurance to holders of these policies will be increased from 5 percent to 10 per-

cent of coverage initially promised for the policy year beginning in 1941.

The policies of Teachers Insurance & Annuity are non-par but policyholder dividends are voluntarily paid.

Teachers Insurance reports that it has made certain changes in connection with reserves on deferred annuities that were based on the McClintock mortality table and 4 percent guaranteed interest accumulation. The sale of such contracts was discontinued in 1928 and special reserves for contracts then outstanding were set up. A year ago this special reserve had reached \$5,700,000.

In the new statement this special reserve has been transferred to reserves for individual contracts by calculating these policy reserves on a more conservative basis. There has been a transfer of \$3,264,967 from special reserves to reserves for contracts. There was also an addition to special reserves so that that item stands at \$3,000,000.

Occidental of Cal. Also Issues Life-Annuity Form

Occidental Life of Los Angeles is one of the very few companies which issues a single premium life-annuity combination contract on a non-medical basis. Its name was not included in a list published in the March 14 issue of companies writing this type of contract. The form is issued up to age 85 on a basis of \$1,060 consideration per \$1,000 face amount and with a maximum single premium of \$26,500.

Occidental Life rates and monthly incomes payable on the basis of one unit of \$1,000 face amount and \$1,060 total consideration are: Age 20, life insurance single premium \$299.22, annuity consideration \$760.78; monthly income male \$2.31, female \$2.22; 30, insurance \$358.54, annuity \$701.46, income male \$2.35, females \$2.22; 40, insurance \$450.75, annuity \$609.25, income male \$2.33, female \$2.17; 50, insurance \$567.20, annuity \$492.80, income male

FOR MEN OF GENERAL AGENCY CALIBER

We have territory open in Vermont, southern New Jersey, and Delaware.

Our combined Life and Non-Cancelable Accident contracts are valuable sales aids.

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UNITED LIFE AND ACCIDENT Insurance Company

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THE BOURSE PHILADELPHIA

\$2.27, female \$2.05; 60, insurance \$695.21, annuity \$364.79, income male \$2.15, female \$1.88; 70, insurance \$816.91, annuity \$243.09, income male \$1.97, female \$1.66; 80, insurance \$915.94, annuity \$144.06, income male \$1.76, female \$1.42; 85, insurance \$954.14, annuity \$105.86, income male \$1.64, female \$1.29.

This form is issued in two contracts, both being non-participating. Another contract is issued at the same consideration with loan value and death benefit of \$1,000 at all times and annuity return \$30 per unit of \$1,060, payable at the end of each year, or semi-annually, quarterly or monthly if desired at the rate of \$14.87, \$7.40 and \$2.46, respectively. This contract is issued in one policy and is participating. Both contracts are non-medical. The regular options of settlement are available.

First American's New Form

The First American Assurance, Reno, Nev., of which Prentice Hewitt, formerly of Los Angeles, is president, has put on the market a life expectancy non-medical term policy at a rate of \$12 per year, or \$1 per month. The policy is issued ages 10 to 60, and the face runs from \$1,000, ages 10 to 30, down to \$250 for age 60.

It is the only life company with home office in Nevada.

New North American L. & C. Form

A new type of policy, the "10-20," designed to meet the needs of young people just getting a start in life is announced by the North American Life & Casualty of Minneapolis. It offers maximum coverage at minimum cost to provide permanent insurance at age 35, with standard cash, loan, paid up and extended features.

New Oregon Mutual Rates

A new premium schedule and a new rate book based on a new mortality table have been adopted by Oregon Mutual Life. There is a reduction in the assumed interest rate to 3 percent. The net return earned on investments last year was 3.94 percent.

The change in interest rate will increase the cash values of all of contracts.

Streamlines Beneficiary Clause

Pacific Mutual Life has reworded the beneficiary designation clause so it specifies if the beneficiary shall not "live to receive payment" the death benefit shall be paid to contingent beneficiary. It is explained the beneficiary now is deemed to have received payment when she cashes or deposits the check for proceeds. Thus, even though she should receive the check, but die before cashing or depositing it, final payment would be made to contingent beneficiary. Should some beneficiaries survive insured but none live to receive payment, the proceeds would be paid finally to estate of last surviving beneficiary. Should none survive insured, proceeds would go to his estate.

Credit Unions Eye Insurance

ST. PAUL—That credit unions harbor the hope of some day of providing their members with life insurance on a much broader scale than at present was the inference gained at a hearing before the insurance committee of the Minnesota house when a bill sponsored by credit unions came up for consideration.

In reply to questions propounded by committee members, V. S. Petersen, representing a state organization of credit unions, said that some day they hope to broaden their life insurance service to members. He indicated that this in a way would take the place of industrial insurance at considerably lower cost.

At present credit unions carry insurance to protect loans made by members. This is done through Cuna Mutual of Madison, Wis. The bill advocated by Mr. Petersen was referred to a subcommittee for study.

ASSOCIATIONS

Build Splendid Program for Chicago Congress

A foremost life company president, the president and the vice-president of the National Association of Life Underwriters, a successful general agent and five Chicago agents who have achieved outstanding successes through five distinct selling methods, are announced as making up the program for the sales Congress to be held in Chicago, April 19, in connection with the annual meeting of the Illinois State Association of Life Underwriters.

Claris Adams, president of Ohio State Life, will talk on "The Contribution of Life Insurance." President Harry T. Wright of the N. A. L. U. and Chicago agent for Equitable Society, will talk on "Life Insurance, the Great Democracy." John A. Witherspoon, general agent at Nashville, for John Hancock Mutual Life, and vice-president of the National association, will talk on "What Makes Them Buy." Dewey Mason, general agent for Aetna Life at Syracuse, N. Y., will talk on "Let's Decide."

Judging in the recording contest to select the five Chicago agents who are to talk for five minutes each on selling techniques, has been completed. The five agents who have been selected are Rose B. Fuller, Hughes agency, Massachusetts Mutual Life; Charles L. Thayer, Hobbs agency, Equitable Society; Abe M. Bloom, Sax agency, Metropolitan Life; John Bowman, Broadus agency, Guardian Life; and Don Nash, Brennan agency, Fidelity Mutual Life. Each will talk on the subject on which his recording was made.

Chairman at the morning session will

be James H. Brennan, manager Fidelity Mutual Life, chairman for the Chicago association, and L. Mortimer Buckley, New England Mutual, chairman of the committee for the state association, will preside at the afternoon session.

Joseph C. Behan, vice-president of Massachusetts Mutual Life, will be the speaker at the banquet April 18. Entertainment is being provided by Herman A. Behrens, president of Continental Assurance.

THE NATIONAL UNDERWRITER again this year will publish a special edition covering the proceedings of the Chicago sales congress. The first such edition was gotten out last year, largely at the instance of the headquarters of the Chicago Association of Life Underwriters. The talks were either reproduced in their entirety or in substance. It contained a large number of photo flash studies and there was a variety of special features. Exceptionally high grade paper was used and the publication drew high praise. It was mailed to each of the 2,200 members of the Chicago Association of Life Underwriters and was in their hands just a few days after the sales congress. In addition about 1,800 copies were distributed in bulk to general agents and others so that the circulation was about 4,000.

THE NATIONAL UNDERWRITER found that the response was very favorable and it was urged by the headquarters organization and by a number of the general agents that a similar publication be gotten out for the sales congress this year. It affords an exceptional opportunity to reach the entire Chicago life insurance family.

Behr to Be Mich. Headliner

DETROIT—Preliminary plans for the annual meeting of the Michigan Association of Life Underwriters in Battle Creek May 23-24, have been completed by E. P. Balkema, Detroit manager Northwestern National, president.

One of the headliners of the congress in connection with the annual meeting

GIVE THEM GOOD AMMUNITION...

AND YOUR MEN ON THE FIRING LINE WILL GAIN THEIR SALES OBJECTIVES!



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The "Tri-Coin" Calendar Bank is attractive... foolproof. Operates with either quarter... dime... nickel. Dignified presentation of your emblem or insignia. Companies now using the "Tri-Coin" Calendar Bank have none but the highest praise for its business-getting ability. Investigate. Write today for details.

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Please send details and literature regarding the "Tri-Coin" Calendar Bank as soon as possible.

Name
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with more than
\$60,000,000

business already in
force in the state

Supervisors for CALIFORNIA

San Francisco Bay Area
Los Angeles
San Joaquin Valley

Applicants must be married—age 28 to 38—willing to move to the territory assigned.

Successful record of personal production and ability to organize, recruit, train and do joint field work are essential.

Salary, full commissions and renewals, travel expense account are offered. Company has liberal pension program, active, progressive management.

Assignments will be made in going agencies with insurance in force averaging \$10 million per agency.

In first letter give complete record of experience, production last three years, age, family status, and salary expected. Write Box N-10, The NATIONAL UNDERWRITER, 175 W. Jackson Blvd., Chicago, Ill.

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For Men Who
Can Qualify**

will be Louis Behr, Equitable Society, Chicago. J. S. Kemper, president U. S. Chamber of Commerce, and Frank Madden of St. Paul also will be on the program. Floyd C. White, Penn Mutual, president Battle Creek association, heads the convention committee.

Sell in Terms of Needs, Bragg Urges in Baltimore

James Elton Bragg, New York City manager Guardian Life, discussing "Life Insurance Selling in 1941" at a dinner meeting of the Baltimore Life Underwriters Association, declared that, war or no war, the people of the United States will continue to need life insurance.

"We have some problems," Mr. Bragg said, "but I believe those problems can be solved if we will intensify our ability to sell people in terms of their needs, if we will become advocates of a program of life insurance and not mere salesmen of policies, if we will sell life insurance not in technical terms but in terms of the needs, wants, desires and hopes of the people with whom we are dealing, if we will bring life insurance to these people in the simple fundamental terms of food, clothing, shelter—the things people must have in order to live. We must show our buyers that in order to get those things people must have a flow of dollars and the only way they can provide a flow of dollars, if they are not personally there to do so, is to buy that flow from the only institution which deals in dollars for future delivery, in definite amounts, on definite dates, for particular purposes."

The meeting was followed by a dance attended by more than 100 members of the association and their wives.

Agents Should Demand More Settlement Options

Agents must band together in an effort to induce their companies to provide more flexible settlements, in the opinion of Oliver Johnson, assistant manager of the Parsons agency of Mutual Benefit Life in Chicago, who spoke before sales congress of the Madison, Wis., Association of Life Underwriters. It is the duty of life insurance companies to provide the public with what it wants and it becomes more and more apparent that more liberal settlement options are being demanded, he said.

Because of its demonstrated safety, life insurance today stands as one of the few trusted institutions. But it cannot capitalize on this alone, forever. It must have a real service to offer policyholders and a utility value when the time for payment comes around. No longer is a man willing to "guess in advance what his insurance must do to get the job done." He doesn't want money doled out in arbitrary amounts which fail satisfactorily to meet the situation of his beneficiaries.

The practice of most companies has been to ignore this rising demand or, as in the case of some of the largest, to adopt the reverse stand and cut down on settlement options offered. It is up to the agent, as intermediary between the public and the home office, to point out the fallacies of such a stand, and to band together with other agents to give his recommendations their rightful weight in the home office, Mr. Johnson asserted.

Herbert A. Hedges, Equitable Life of Iowa, Kansas City, trustee of the National Association of Life Underwriters, gave suggestions to the average salesman on social security and package selling. He always is able to convey practical, usable ideas to an audience, and he made a decided hit at Madison.

Brooks Fuller, assistant manager for Prudential, Chicago, scored the stereotyped sales approach. It's getting so a person can predict what the agent is going to say and in what order he'll say it, according to Mr. Fuller. Too much emphasis has been placed on

complicated programming which serves no useful purpose beyond a reasonable extent and requires a great deal of probing which antagonizes the prospect. Mr. Fuller feels that it's time to return to the old virtues of acting naturally and letting the insurance sell itself for what it is.

Clarence A. Post, general agent Provident Mutual, Milwaukee, compared the agent's earnings with those in other work and noted how well off the experienced agents are by comparison. He also mentioned that there are 19,000 less men in the business today than there were five years ago.

The luncheon speaker was Chief Justice M. B. Rosenberry of the Wisconsin supreme court, who talked on "A Problem in Democracy."

Entertainment was furnished after the luncheon by a group of entertainers from the University of Wisconsin Haresfoot Club.

The meeting was called to order by John V. Hovey and Moses W. Smith was master of ceremonies. C. Rex Welton was in charge of the arrangements and the program.

Responsibility of Agent to Insured Stressed by Senator at Boston Congress

BOSTON—"Life underwriters have a great responsibility as stewards for the 65,000,000 they have insured to advise them of the forces that tend to reduce or dissipate the value of their security," U. S. Senator Brooks of Illinois declared before the 1,000 agents attending the annual sales congress of the Boston Life Underwriters Association.

Private enterprise is being threatened by the government, the senator declared. If the trend is continued it will eat away the foundation of the security established by life insurance. It is incumbent upon life men to convince their insureds that the great life companies know best how to manage the public's savings. "Private enterprise and the American government are twins. They have both become great but when one of them seeks to completely dominate and command the other, they both will die."

President Fitzhugh Traylor extended the welcome and presented George Neittlich, Metropolitan Life, as chairman. The convention theme was "Life Insurance—Defense of Security."

Rev. Garfield Morgan of Lynn declared the great error committed by most men is the belief that there is plenty of time to do something which should be done today.

The psychological aspects of successful insurance salesmen were analyzed

by Perry L. Rohrer, Chicago psychologist. "Life insurance men have more creative imagination to the square inch than men in any other business," he declared.

B. N. Woodson, Sales Research Bureau, discussed "Effective Speech in Selling," stressing spirit and conviction in an agent's sales approach. Agents should talk in terms of his prospects' wants, in concrete and not abstract form, he declared.

At the luncheon session special entertainment features were provided by the

Boston General Agents & Life Managers Association.

John H. Jamison, Northwestern Mutual, presided at the afternoon session. A. E. N. Gray, assistant secretary Prudential, spoke on "The Common Denominator of Success."

Four Congresses in N. C.

The North Carolina Association of Life Underwriters will hold sales congresses in Asheville, March 31; Charlotte, April 1; Greensboro, April 2, and Raleigh, April 3. Joe S. Babb of Dur-

JEFFERSON STANDARD
The Quality-Minded Company

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- Quality Training
- Quality Merchandising
- Quality Business

AGGRESSIVE and PROGRESSIVE

JEFFERSON STANDARD LIFE INSURANCE CO.
JULIAN PRICE, President GREENSBORO, N. C.

THE MANUFACTURERS LIFE

THIS Company is known as a firmly established and financially sound institution. Its representatives are chosen from men of high calibre.

For fifty-three years these two factors have combined to bring about a consistent growth in business.

INSURANCE IN FORCE, 604½ MILLION DOLLARS
(Including Deferred Annuities)
ASSETS, 190 MILLION DOLLARS

INSURANCE COMPANY
HEAD OFFICE
TORONTO, CANADA
Established 1887

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ham is chairman of the sales congress committee. The speakers at all four sessions are: Paul H. Conway, John Hancock Mutual Life, Syracuse, N. Y., on "Where Do You Stand in the Market Place?"; Max C. Fisher, assistant secretary Metropolitan Life, "Undercurrents"; A. R. Jaqua, associate editor Diamond Life Bulletins, "Liberty vs. Security"; H. C. Lawrence, Newark general agent Lincoln National Life, "The Pathway to Greater Earnings." John R. Knott of Charlotte is president of the North Carolina association.

Ruhl Tells Cincinnatians of His Working Methods

CINCINNATI—In a discussion of his personal working methods, H. B. Ruhl, Massachusetts Mutual, Detroit, life member of the Million Dollar Round Table, told the Cincinnati Life Underwriters Association that in drawing up a program for a prospective assured, he keeps two points in mind, whether the prospect has sufficient income at 60 or 65 to live comfortably, and whether he has enough insurance to leave his family in half way decent circumstances.

Mr. Ruhl said the first minute of the approach is the most important part of the entire sales process. He said it was well not to throw a haymaker the first few seconds and that he makes his approach as low pressure as possible. Mr. Ruhl likes "to light very lightly" the first call in a number of places. He attempts to get in and out as quickly as possible. He calls on friends in most cases and makes few calls where he did not previously know the prospect. He plays golf frequently, bowls, and is active in community activities.

Uses Much Direct Mail

When Mr. Ruhl is able to secure the policies, he said he is able to close from 50 to 75 percent of the cases. He uses much direct mail, which is furnished by his company, but only after he has called on the individual personally. Mr. Ruhl

does not use the telephone until after he has met his prospect personally. He does not make a second call without a definite appointment.

If a prospect says he already has a program set up and thinks it is in good shape, Mr. Ruhl makes an effort to talk to him to find out whether it is really so, but he doesn't argue. If some other insurance man did a good job, he feels he could spend his energy profitably on two or three other fellows. He went into life insurance because he felt he could sell it and make a good living. He has raised his sights so far as the income of his clients is concerned. He prefers to stay away from joint work. He doesn't think much of making a lot of audits. If the prospect is a large potential buyer, he feels that the agent should make an audit.

Outlines Typical Working Day

Mr. Ruhl outlined a typical working day. He leaves his home about 9 o'clock and endeavors to make his first call by 9:30. That is usually in the west side industrial area of Detroit or in the uptown business center at the General Motors and Fisher buildings. He arrives at his office about 11:30. After attending to correspondence and office work, he leaves the office about 2:30. He tries to have one good interview every day and become acquainted with three or four new people a week. He tries hard to open new cases in the morning and present information on tax cases. The afternoon is a good time for a closing interview. He tries to get an appointment around 4:30 p. m. and does not go back to the office afterward. Mr. Ruhl said he attempted to get his prospect thinking about the effect his death would cause in the family and believes in closing with a medical examination, asking: "Don't you think it would be wise to get a check-up on your health?" He usually quotes the premium on a monthly basis and assumes that his prospect can pay the premium.

Mr. Ruhl urged agents to listen to what the prospect has to say. He states:

"I am not going to bring up the subject of new life insurance today," and tries to discover the irreducible family income he wants his family to have.

Talking to Professional Man

In broaching life insurance to a friend, who is a professional man, Mr. Ruhl would say something like this: "Bert, in your profession it is unethical to solicit business, but in my profession it is not only ethical to do so, but I would starve to death if I didn't."

"I am not going to discuss life insurance today, but have a discussion with you. In analyzing insurance programs, I find it desirable to submit a coordinated plan. . . ." Mr. Ruhl then illustrates his point with one or more stories, taken from his own sales experience. One is about a banker with \$60,000 life insurance who was killed when his car ran into a truck. His insurance was payable to his estate, which had large debts, and all of it went to his creditors and none to his family. A man and his wife went to Florida for a vacation. He drank a little one moonlight night, and although he had never operated a speedboat before, he took his wife for a ride. Both were killed. His insurance was payable to his wife if living, otherwise to his parents. His parents were wealthy, although his wife's parents were on WPA.

Mr. Ruhl said he asks his prospect, assuming he went on a hunting trip for a period of several weeks, "How much money would you leave your family?"

Buffalo Agents Hear Jaqua Discuss Bright Outlook

"The next four years should be good life insurance years," A. R. Jaqua of the Diamond Life Bulletins told the Buffalo Life Underwriters Association. Bases for this prediction are: Higher wages and full employment in industry, more persons in the buying ages of 20-45, greater difficulty of safe outside and individual investments, better

trained salesmen, and the growing market among minors and women, Mr. Jaqua stated.

"The most important single thing any life underwriter can do is to set up a system which will flow across his desk many jobs to do, many people to see who have a reason for buying now," he said.

Russell C. Wunderlic, agency organizer for Mutual Life of New York, was chairman of the program. Peter Allen, general agent Northwestern Mutual Life, introduced Mr. Jaqua.

Irvin Bendiner, New York Life, Philadelphia, counsel for the Philadelphia and Pennsylvania state associations, will speak April 17 to Buffalo agents.

Springfield, Mass.—John M. Holcombe, Jr., manager, and B. N. Woodson, director of service of the Research Bureau, will conduct a sales clinic April 8 with the theme: "How to Get More Out of What You've Got." It will be an all-day session broken by luncheon. Mr. Holcombe will be introduced by Clyde W. Young, president of Monarch Life, and Mr. Woodson by C. O. Fischer, vice-president Massachusetts Mutual Life. J. A. Hunter, president of the Springfield association, will give a welcoming talk.

Akron, O.—Eric G. Johnson, general agent Penn Mutual, Pittsburgh, discussed "Selling Ammunition for 1941."

Continuing its practice of recent months, the group honored John H. Geer, general agent of Lincoln National, a C. L. U., with a presentation by H. T. Waller of Northwestern Mutual.

Topeka, Kan.—Judd C. Benson, Union Central, Cincinnati, spoke on "The Technique of the Approach." Mr. Benson was en route to Wichita for the mid-year meeting of the National association.

Pittsburgh—Although there was no open discussion following the provocative talk of S. D. Weissman, Equitable Society, Boston, Mass., some of the audience remained to question the speaker. Certificates of 100 percent membership were presented to the Furey agency Berkshire Life, the Waddell agency of

How Did the Life Insurance Companies Rank in 1940?

This question is answered easily by a glance at the table published in this issue of The National Underwriter showing the "Ranking of Life Insurance Companies" by Insurance in Force as of January 1, 1941."

The table shows the relative standing of over 300 companies by insurance in force for 1940 as compared with 1939. The National Underwriter has reprinted it in pamphlet form, consisting of 6 pages, conveniently folded to fit a regulation No. 10 envelope, as a handy reference for use throughout the year.

Order a supply now for distribution to your agents and policyowners. Point with pride to your company's progress.* Use the convenient order form below

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Connecticut Mutual; Western & Southern Life, and Colonial Life in Beaver Falls; Colonial Life in New Castle and Metropolitan Life in Aliquippa.

Lincoln, Neb.—Grant Taggart, secretary of the National association, spoke at a special meeting Monday evening.

Springfield, O.—W. T. Earls, Cincinnati general agent Connecticut Mutual Life, said "national defense preparations stimulate greater interest in investment-type of life insurance among employed workers."

"Definite evidence is shown," he said, "that a growing number of employed personnel is anxious to supplement realization of social security benefits upon reaching retirement age with personal investment returns from insurance."

He suggested that life underwriters "help laymen to better understand the scope and purposes of life insurance" by selling it "in language that folks can understand."

Memphis, Tenn.—Carroll C. Day, Oklahoma City general agent Pacific Mutual Life, spoke on "Philosophy of Living."

St. Petersburg, Fla.—William Hamrich, agency superintendent Gulf Life, discussed "The Social Security Act in Relationship to Life Insurance."

Guests included Elbert Storer, past president of the National association and O. B. King, Gulf Life, Tampa, secretary of the state association.

Cleveland—The next regular meeting is April 15, opening day for the Cleveland Indians of the American League, and the association will tie in with that event. The movie "Batting Around the American League," will be shown. A baseball speaker will be scheduled and following the meeting members will go to the game. A reserved section of 300 seats has been secured.

South Carolina—President John H. Lafitte has announced that the annual meeting will be held in Columbia June 13.

Portland, Ore.—Vincent B. Coffin, vice-president Connecticut Mutual, gave "Sales Suggestions for 1941." He stressed that for 10 years prospecting has been the most important part of the sales program. With changing conditions and more employment, he predicted that "prospecting" would be easier in 1941 but that from now on "we will have to impress on the prospect's mind his 'needs' and these must be made crystal-clear."

He gave five examples of men in his own organization who had become "excited" about something (not necessarily connected with the insurance business) and how this excited frame of mind had raised them from mediocre producers to those brackets which are considered most substantial.

Little Rock, Ark.—J. E. Thompson, agent Mutual Life of New York, Little Rock, gave a demonstration of a life income talk at the monthly meeting. Van Weathersby, president, presided. He announced appointment of H. B. Brown, assistant general agent Penn Mutual Life, as sales congress chairman.

New Orleans—Confidence and skill are essential qualities in the sale of life insurance, declared C. C. Day, general agent Pacific Mutual Life, Oklahoma City, at the monthly meeting. The best approach to the prospect is through life, rather than statistics. R. H. Blanchard, Columbia University, said the period

ahead will be one of critical comment and great scrutiny, with greater government observation in store for all phases of life insurance. Ferguson Colcock, president, presided.

Austin, Tex.—Predicting a new high for sales during 1941, W. E. Billheimer, Dallas, assistant general manager Equitable Society, urged agents to develop their own personalities and own methods of selling.

"No two men sell anything alike, and no two buyers buy alike," he said, decrying the trend among salesmen to follow a set pattern in their selling.

Mr. Billheimer said the index for Texas in January was 14 percent above December, as far as department store sales are concerned.

Denver—B. N. Woodson, director of service Sales Research Bureau, spoke on "Effective Speech in Selling."

Theodore Kain, American Farmers Mutual, St. Paul, and J. W. Walker, vice-president Postal Life & Casualty, Kansas City, took part in a direct mail conference held in Des Moines sponsored by the Des Moines Advertising Club.

Wait for Tex. Governor to Act on Life Commissioner

Much interest is being taken in the situation that has developed in Texas by reason of the failure of the senate to approve the appointment of Reuben Williams as Texas life insurance commissioner and chairman of the board of insurance commissioners. It was indicated that those opposed to Mr. Williams feel that he is too young, being 31 years of age, and knows too little about the insurance business, to assume the responsibilities of the office. The senate first rejected Mr. Williams and then reconsidered the rejection and recommitted his name to the governor's nominations committee. That was done, it is understood, to give the governor an opportunity to withdraw Mr. Williams' nomination and submit a new one. The question is whether the governor will resubmit the Williams' nomination or offer a new appointee.

Mr. Williams, who had been casualty commissioner, was appointed life insur-

ance commissioner a few months ago upon the death of Walter C. Woodward.

Princeton Insurance \$2,000,000

PRINCETON—The Princeton University's system of class memorial insurance will reach the quarter century mark this year, with the establishment of the Class of 1941 Memorial Fund. It is expected that 540 seniors will contribute about \$100,000 to bring the 25 year total well over the \$2,000,000 mark.

Under the system members of the graduating class take out 20-year endowment policies which vary in amounts, which will accrue to the university in the event of the graduates' death or upon maturity of the policy.

Final disposal of the money will be decided in 1961, upon a vote by the members of the Class of 1941. Until then the fund will be under the control of a committee which is headed by Charles S. Winston, Jr., of Joliet, Ill.

Title Insurance Companies

• The title insurance firms whose cards are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

COLORADO

THE TITLE GUARANTY COMPANY

H. Elliott Houston, Pres. Aksel Nielsen, Exec. V. P.
"Home of Landon Abstracts"

Titles insured thruout Colorado.
Escrow Service—Loans—Abstracts

1500 Court Place—Denver

MISSOURI

Title Insurance Corporation of St. Louis

810 Chestnut Street
McCune Gill, Vice President
Qualified with Insurance Departments of Missouri and Eastern States

— o —
Disburses construction funds and insures against Mechanic Liens

OHIO



OKLAHOMA

AMERICAN FIRST TRUST CO.

First National Bldg.
Oklahoma City, Okla.

STATE-WIDE TITLE INSURANCE
Under Supervision of State Bank Commissioner

PROPERTY MANAGEMENT DIRECTORY

• The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

ALABAMA

ENGEL REALTY COMPANY

Realtors & Insurers

MANAGEMENT SALES
LEASES APPRAISALS
BIRMINGHAM, ALABAMA

KANSAS

Complete Real Estate Service

• PROPERTY MANAGEMENT
• SALES • RENTALS
• MORTGAGE LOANS

The
Wheeler Kelly Haggy Trust Company
Wichita, Kansas

FLORIDA

Property Management
Mortgages—Sales
Appraisals

MAL HAUGHTON JR. COMPANY

108 West Bay St. Jacksonville, Florida

MICHIGAN

EQUITABLE TRUST COMPANY

600 GRISWOLD STREET DETROIT, MICHIGAN

•
Property Management
Appraisals
Mortgage Loans
Sales
Trusts Estates

MINNESOTA

DUNN & STRINGER

INCORPORATED

Empire Bank Building
St. Paul, Minnesota

McNeil S. Stringer, Pres.

Mortgage Loans
Real Estate
Property Management

OHIO

THE HOWELL-VIGGERS CORPORATION

Certified Property Managers
Appraisals Sales
Second National Bldg.
Akron, Ohio

INDIANA

Property Management

Leases Sales Loans
Appraisals—Insurance

W. A. BRENNAN INC.

INDIANAPOLIS

Klein & Kuhn

Guaranty Building
Indianapolis

SALES • APPRAISALS
LEASES
Property Management

Something New IN LIFE INSURANCE

A Pure Protection . . . ordinary or whole life policy without cash values

Our limited pay policies permit the withdrawal of cash values

Without cancelling policy

Without note, interest or reducing policy

Many other new features that appeal to thinking people

Commissions that will interest any salesman. Previous experience not essential

Interstate Reserve
Life Insurance Company
TEN EAST PEARSON STREET, CHICAGO

LEGAL RESERVE FRATERNALS

Charitable Work Is Viewed by Official

The many miscellaneous benefits to members found in the fraternal institution in addition to life insurance protection were outlined by Erna M. Barthel, supreme recorder, Royal Neighbors, Rock Island, Ill., in an article released by the National Fraternal Congress as a part of its public relations program.

These features include benevolent and charitable work, which gives relief to many thousands of sick, distressed and unfortunate members and represents a large cash outlay by the societies; the social features of lodges; ritualistic work which inculcates Christianity, brotherhood, Americanism, tolerance; and the juvenile activities, which give valuable training and many other advantages to youngsters.

Can Be Proud of Institution

"Years of hard work, courage and untiring leadership and the support of a loyal and faithful membership in the lodges have built the great fraternal system with its humanitarian service, its strong legal reserve life insurance and its assets in the millions," she said. "The eight million members of this great fraternal system have a right to be proud of the fraternal service and the spirit of brotherhood practiced in their local lodges."

She made the point that the relief work is paid for from the dues paid by members, contributions of individual members and income earned for the lodges by members. It is therefore, self-sustaining and is on a basis of individual initiative and self reliance.

Many Activities Are Cited

The work of the local lodges consists of visiting and comforting members and families in times of illness and bereavement and giving financial assistance to members in need, keeping up monthly payments on their insurance in time of emergency, distributing baskets of food, clothing and toys to destitute members for Thanksgiving and Christmas, giving financial aid to members in catastrophes, helping underprivileged children and assisting members in many other ways.

Through the lodges of many societies, members in distress are admitted to benevolent institutions such as sanatoria and homes operated by the individual societies.

Iowa Non-Medical Bill Passed

DES MOINES—Fraternalists hereafter will be able to write non-medical policies up to \$300 without regard to age following passage of a bill in the Iowa legislature. Previously fraternalists were not allowed to write non-medicals on new members.

The bill originally was intended to bring aid societies and benevolent groups under the insurance laws, but was changed during its passage to contain only the provision for non-medical policies. This allows fraternalists to compete with the benevolent associations that are operating in the state contrary to the state insurance laws.

The Iowa department has started a drive to wipe out the groups and the state attorney general's office will assist in the campaign.

New Michigan Reserve Bill

LANSING, MICH.—A new bill has been introduced in the Michigan legislature apparently designed to deal drastically with any fraternal which either has not been placed on a legal reserve basis or is finding it difficult to meet that requirement by next Jan. 1, as provided under a 1939 act. The bill follows a closed hearing conducted by the house insurance committee attended by representatives of the Michigan Union Life and by J. E. Reault, Maccabees, a former deputy commissioner and actuary and John Panchuk, Federal Life & Casualty, formerly an assistant attorney-general and counsel to the department.

The new bill requires fraternalists attempting to reorganize to either tender members premium payments in full or obtain waivers of such repayments from two-thirds of the membership.

Arkansas W. O. W. Gathers

Several hundred Argansas members of Woodmen of the World, Omaha, will gather at Batesville March 28-29, for the biennial head camp convention. Ben Smith, Fort Smith, is head consul. Farrah Newberry, national secretary, and W. C. Braden, director, both of Omaha, will speak.

W. O. W. Mississippi Convention

About 200 delegates from 400 camps of Woodmen of the World in Mississippi held their biennial convention in Biloxi, Miss. W. A. Tidwell of Jackson is state manager. R. E. Miller of Omaha, national promotion director, was present.

C. L. U.

Grimm Handles Chicago Course

George L. Grimm, Northwestern Mutual Life, Chicago, has been appointed director of the C. L. U. evening courses in Northwestern University, succeeding D. Miley Phipps, who has gone with the Brailey agency of New England Mutual Life in Cleveland. Mr. Grimm will be instructor in economics of life insurance and principles and practices. He is chairman of the educational committee Chicago Association of Life Underwriters and arranged the Saturday morning forums. Mr. Grimm is a director of the association. He is a graduate of Iowa State University and became a C. L. U. in 1932.

Chicago Banker Speaks in Peoria

Allan B. Hussander, secretary Continental Illinois National Bank & Trust Company, Chicago spoke to the Peoria

C. L. U. Chapter. Bankers of Peoria and neighboring towns were guests.

In urging cooperation between life insurance and trust men, Mr. Hussander said that while each man should do his own selling, they will find it to their mutual benefit to work together. Both life and trust men should strive to recommend the best plan to fit the individual case.

Confer with C. L. U. Teachers

Dr. David McCahan, dean of the American College of Life Underwriters, and John P. Williams, educational director, held a conference in Richmond with instructors in schools in Virginia, North Carolina, West Virginia, Maryland and the District of Columbia preparing students for C. L. U. examinations. More than 20 teachers were present. Objectives of the college were outlined and views exchanged.

LEGISLATION

Reserve Bill Passes

HARRISBURG, PA.—The Pennsylvania Senate has passed a bill permitting the adoption of a 2 percent American experience table by life companies with an option of using the American men ultimate table at rates not more than 3½ percent nor less than 2 percent. A companion measure passed provides that in using American men ultimate table the extended term coverage may be computed upon rates of mortality not greater than 180 percent of the table.

Iowa—A bill was passed setting the maximum per diem pay of insurance department examiners at \$15 and assistant examiners \$12.50, in the insurance code. Previously the maximum pay provision was carried in the appropriation bills. The senate sifting committee has re-

ported for passage a bill transferring back to the insurance department the duty of collecting premium taxes.

A revision of the Iowa insurance laws is sought in S. F. 530, introduced by the insurance committee. It calls for the governor to appoint a committee of four to assist the insurance commissioner in compiling an Iowa insurance code.

Nebraska—The Peterson cooperative farm land bill has been amended to conform to suggestions of representatives of the Farm Security Administration, and has been placed on the calendar with a committee endorsement. The amendments will enable Nebraska to share in the \$3,000,000 allocated to the states for aiding in farm ownership. The Peterson plan, if adopted, will enable insurance companies, among others, to dispose of their accumulations of unwanted farm lands on terms favorable enough to induce purchasing by selected young farmers and sufficient to fairly reimburse holders of foreclosed land.

Maryland—Judd Dewey, Massachusetts deputy commissioner of savings bank life insurance, appeared before the Maryland legislature last week in support of a savings bank life insurance measure.

The house has passed the bill requiring the licensing of insurance counselors. It is backed by the insurance commissioner and the Baltimore Life Underwriters Association.

Utah—House bills have been introduced requiring benevolent associations to have a permanent deposit of \$5,000 and to provide large fees for examining them. Another bill provides for the organization of life insurance companies by farm cooperatives.

Texas—H. B. 5 regulating industrial life insurance has gone to the governor, with an amendment specifically excepting fraternalists. The committee approved H. B. 263, which levies a fee on certificates placed on registered policies or

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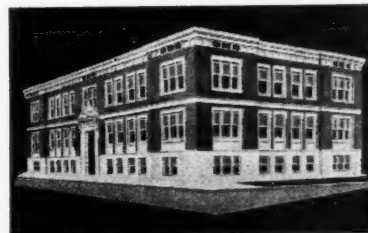
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OVER 50 YEARS OLD

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CLAIMS PAID \$124,500,000.00

Attractive Contracts for Responsible Representatives



STANDARD LIFE ASSOCIATION

LAWRENCE

KANSAS

PERTINENT FACTS— SUPREME FOREST WOODMEN CIRCLE

Gross Assets \$ 33,716,675.00
Protection in force 106,831,483.00
Total Membership 134,166

Organized into 2,678 groves in 44 states

Benefits paid in 1939 to members and beneficiaries \$1,767,420.41

Dora Alexander Talley, National President
Mamie E. Long, National Secretary
Home Office, Omaha, Nebraska



A Legal Reserve Fraternal Life Ins. Society
309 W. Jackson Blvd., Chicago

THE WOMAN'S BENEFIT ASSOCIATION Founded 1899

A Legal Reserve Fraternal Benefit Society
Bliss West Miller, Supreme President
Frances D. Partridge, Supreme Secretary
Port Huron, Michigan

annuity bonds issued by life companies. A bill introduced in the senate would revise the law affecting the renewal contracts and commissions of agents for out-of-state life companies.

Illinois—A house bill would require legal reserve assessment life companies with 500 members to have a \$25,000 surplus and companies with 250 members to have \$50,000 surplus.

Oregon—The governor has signed the following measures:

To authorize fiduciaries holding trust funds to invest the same in federally guaranteed building and loan associations; relating to the liquidation and rehabilitation of companies doing business in more than one state.

Appeasement On Wage and Hour Law

(CONTINUED FROM PAGE 1)

loosen a barrage at the very heart of that grand old case should anybody make it necessary by challenging their jurisdiction."

The American Life Convention, he recalled, directed a detailed inquiry of the division's position to the regional office in Chicago. Mr. Lutnicki proceeded to discuss the reply that was received. He pointed out that the wage and hour law applies only to employees engaged in interstate commerce or in the production of goods for interstate commerce. The wage and hour division contends that in so far as life company employees are concerned coverage may be predicted upon either the phrase "engaged in commerce" or "engaged in the production . . ."

Insofar as "engaged in commerce" is concerned the federal people argue that the phrase was intended to have a broad meaning and the administrator takes the position that employees are covered who are engaged in work which is incidental to the flow of commodities, or the communication of information from one state to another, or are engaged in work connected with business transactions between several states, which require for their consummation the regular and continuous use of instrumentalities of commerce.

Question of Fleet Policies

Mr. Lutnicki said under such a definition agents writing fleet coverage might easily be construed to be within the meaning of "engaged in work incidental to the flow of commodities."

So far as "employees engaged in production of goods for commerce" is concerned the division takes the position that the term "goods" includes written and printed documents, including insurance policies and the term "produced" is broadly defined in the act as ". . . produced, manufactured, handled, mined or in any manner worked on in any state." And the division concludes that the writing of insurance policies constitutes an operation performed in relation to "goods."

When, Mr. Lutnicki asserted, the administrator says that the issuance of an insurance policy is "the production of goods for interstate commerce, then we all jump up and well . . . not as long as there is a breath left in Paul vs. Virginia."

"Affecting Interstate Commerce"

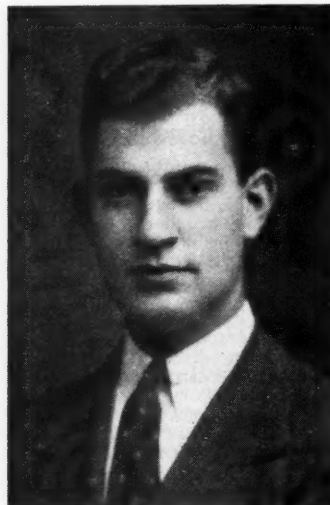
Assuming that the Supreme Court would uphold Paul vs. Virginia, the division sets out another theory upon which it would base its claim of jurisdiction over insurance employees. Insurance, the division says, possibly may not be interstate commerce, but the physical labor of writing the policy and handling its transmission from point to point are processes affecting interstate commerce.

To support jurisdiction on this basis, it would not be necessary to challenge directly Paul vs. Virginia. Conceding that insurance is an intra-state matter, it is the position of the division that em-

Enlarged National L. & A. Medical Unit



DR. LLOYD C. MILLER



DR. GARTH E. FORT

National Life & Accident has named Dr. Lloyd C. Miller as associate medical director, and Dr. Garth E. Fort, assistant medical director. Dr. Miller has been with General American Life and Dr. Fort has been doing underwriting work for National Life & Accident since last year.

ployes are affecting interstate commerce when they handle policy forms and applications, which documents that division insists are "goods" within the meaning of the act.

Mr. Lutnicki referred to the decision of the U. S. Supreme Court of Feb. 14 in United States vs. Darby Lumber Co., touching on the applicability of the fair labor standards act to a business activity which had previously been regarded as purely intrastate in nature. "Congress," the Supreme Court said, "having by the present act adopted the policy of excluding from interstate commerce all goods produced by the commerce which do not conform to the specified labor standards, it may choose this means reasonably adopted to the attainment of the permitted end, even though they involve control of intrastate activities." Particularly significant, he said, is the fact that the court made a delicate choice of words in referring to intrastate activities instead of to intrastate commerce.

Might Shift Position

Under this theory, Mr. Lutnicki vouchsafed, the wage and hour division need only establish that the activities of writing, issuing or selling insurance and any occupation necessary thereto is an activity affecting commerce. There is probably no business activity that does not affect interstate commerce in some fashion. Should the life companies seek to show that the issuance of a life policy to a private person does not affect interstate commerce, the wage and hour

division might shift its position to that of the labor board and seek to prove the "affecting of interstate commerce" through the companies' investment functions.

So far as fire and casualty are concerned, according to Mr. Lutnicki, it would be difficult to deny that the availability or non-availability of insurance protection, for instance, on an interstate shipment of goods has an effect on the shipment of those goods.

Few insurance counsels have been disposed to challenge the application of the act on constitutional grounds. Why, they ask, risk a direct test of Paul vs. Virginia. So long as this case stands there is a better chance to stem the tide of federal insurance legislation that might well follow the TNEC investigation.

State Wage and Hour Bill

Mr. Lutnicki recalled that, under the sponsorship of the department of labor, a model state wage and hour bill has been introduced into most, if not all, states this year. This bill is even more severe than the federal law, because it requires that time and one-half be paid for overtime in excess of eight hours a day (not merely in excess of 40 hours a week) and it does not exempt outside salesmen and administrative employees. It may very well be that in the course of time insurance companies will be seeking to take advantage of the more liberal terms of the federal law rather than to escape them.

"In any event," he said, "it may be

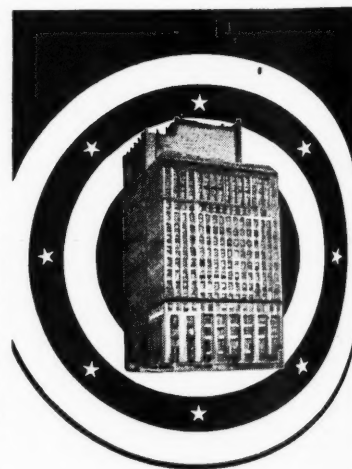
Our life policy contract has 890 words.

Disability waiver, 334 words.

Income Settlement is covered in 630 words.

An 1854-word contract has its merits.

Guardian Life
Insurance Company
Madison, Wisconsin



General Agency
OPPORTUNITIES
for good personal
producers

Central Life
INSURANCE COMPANY
of Illinois
ALFRED MacARTHUR, PRESIDENT
211 WEST WACKER DRIVE, CHICAGO

IDEAL JOB

Seeks Right Man

Every day you wait to investigate the General Agency opportunities with this old reliable company you are losing money.

Write today:

FRANCIS L. BROWN, President

ROCKFORD LIFE INSURANCE COMPANY

Rockford, Illinois

asked why Paul vs. Virginia should be risked when success in defending it might be rewarded by subjugation to the more stringent provisions of a state wage and hour law."

"Under the circumstances I personally think there is much to be said for appeasement."

In an insurance company, he went on, it seems that jurisdiction may be so expanded as to encompass virtually all employees. The division includes within the scope of the law many employees who do not directly and immediately serve in commerce or in the production of goods for commerce, but who in any way aid or assist, or are necessary to those who do serve in this fashion.

Mr. Lutnicki said he has been informed that the investigations of insurance companies are being made only when an employee's complaint has been filed. Until last February complaints against insurance companies had been allowed to accumulate because the division had not taken a stand on the application of the law to insurance. In February a drive was ordered by Washington to clear up all outstanding complaints.

Mr. Lutnicki said that several trade associations have entered into an agreement with the wage and hour division whereby these associations will be informed of any wage and hour violations by their members. They will be given opportunity to straighten out these violations before the division itself takes steps. Such practices have been adopted largely where a general enforcement drive against a particular industry is contemplated.

Incidentally there is a report that such an agreement has been made with an organization known as "Mutual Casualty Insurers Association."

Critical Days Call for Wise Financial Policy

(CONTINUED FROM PAGE 8)

On the whole, interest rates have been predominantly controlled by the influx of gold from abroad.

Another factor that has kept interest rates from increasing has been the failure of business to expand. There have been few new issues of corporate stocks or bonds. Although there are many reasons for this failure, Dr. Benner said that he is becoming more and more convinced that the fundamental causes for the long continued depression are to be found in disorganization of world conditions.

Do Not Cause Expansion

It is doubtful that low interest rates cause business expansion as there is little evidence that low interest rates in themselves cause borrowing. Business men borrow when they think they can use additional money to advantage. When they do not believe that such conditions exist they will not incur obligations, no matter how cheap money rates may be. The influx of gold and government deficits have been more responsible for the large volume of bank deposits today than any amount of uninvested savings. Consequently a desire on the part of the people to save in the accepted sense of the word rather than spend is a minor depression factor.

Course of Ups and Downs

"The main cause for the ups and downs of business activity is expansion or contraction of bank credits plus the velocity in which it is used. The fluctuations of this credit added to the change in its velocity reached such total figures that it makes insignificant any amount of uninvested savings that might accumulate in our financial system during any year or two.

"The vital thing in creating a demand for goods is not the amount of money or bank deposits, but it is the velocity or turn over of money and bank deposits which actually determines the amount or demand of purchasing power."

Confidence is an important factor in

getting business men to expand their plants or embark upon new ventures and when they lack this confidence they make little or no demand for new capital. "Might it not, therefore, be subject of fruitful inquiry to investigate the causes for lack of confidence, which manifest themselves in the unwillingness to incur obligations through borrowing money, before we blandly assume that savings are piling up so rapidly that it is impossible to invest them? Here is a field that I am sorry to say the TNEC cultivated only slightly."

In commenting on the suggestion that life companies be permitted to invest in common stocks, Dr. Benner said he saw no objection to such a liberalization of the laws but—"such a change will not make venture capital more available." Just because it is cheap, lenders will not be willing to supply venture capital unless they think the returns they are going to get thereby are going to amply compensate them for the risk entailed. Merely making common stocks legal investments for life companies will not increase the supply of venture capital unless other conditions are materially changed.

U. S. Senator Danaher of Connecticut was toastmaster at the dinner and greetings were presented by J. Hicks Baldwin, Northwestern Mutual, president District of Columbia C. L. U. chapter.

Dr. Perrin H. Long, Johns Hopkins University medical school, spoke on "Saving Lives."

Breakdown of 1940 Total Shows 88 Billion Ordinary

(CONTINUED FROM PAGE 3)

ing in 111th position. Old Republic Credit advanced 21 steps to end up in 147th place. The Morris Plan advanced from 136th to 128th.

Central Life of Illinois, by its reinsurance of the Life of Detroit also registered a gain of 20 steps and is now 109th in rank.

Ten companies writing both industrial and ordinary were included among those making gains in this group. Supreme Liberty is 137th and Carolina in 138th each advanced 10 places. They are followed in 129th by Security Life & Trust which moved forward six steps.

Of the ordinary companies in this group, the United States Life advanced seven places to 134th, closely followed by Kentucky Home which gained five steps to end up in 150th place.

Other Advances Made

The Knights Life in 101st place advanced from 106th a year ago. North Carolina Mutual and Western Life each moved ahead four to be in 145th and 146th place respectively. Other gains were State Farm, three and Interstate Life & Accident, three. Liberty National, Texas Prudential and Manhattan each gained two places while Boston Mutual, Lutheran Mutual, Atlanta, Peoples of Indiana, and Montreal Life each advanced one position.

The complete ranking of all companies will be found in the Unique Manual-Digest published by THE NATIONAL UNDERWRITER, which is now being prepared and will be ready for delivery about May 15th.

Commissioners Sidetrack Central Office Idea

(CONTINUED FROM PAGE 4)

the revised plan is still so embryonic that it was too early to discuss the matter.

That the commissioners still do not take kindly to letting the federal government attempt to solve their problems for them was indicated in a resolution which the executive committee adopted condemning the two bills, H. R. 796 and 3797, introduced by Congressman Hobbs of Alabama. One of these would bar the use of the mails to unlicensed companies in interstate business and the other would permit such interstate transactions only after the consent of the SEC had been obtained. The executive committee's resolution pointed out that this legislation if enacted "would greatly interfere with and handicap the orderly and efficient administration and supervision of the business of insurance by the several states and said proposed legislation would further permit and encourage the transaction of insurance business by companies in states in which they are not entered." The resolution urged the association to use its influence against these bills.

Suggests Use of State Laws

As a means of controlling unlicensed insurers the committee adopted a resolution urging the passage of laws by the several states prohibiting domestic insurance companies from accepting risks or soliciting business in any form or matter whatsoever from or in states where they were not licensed to transact business. The penalty would be revocation of license. The committee on law and legislation was instructed to prepare a model law that would accomplish this end and forward a copy to each state. These resolutions were referred to Superintendent Lucas of Missouri, chairman of the committee on laws, who will appoint a subcommittee to take charge of them.

The committee resolved that the committee on examinations be instructed to make a comprehensive study of the development of the convention examination plan along the lines of improvement, including uniformity of examination requirements and standards for examiners and that it make its report to the association at the meeting in June. This is being done in line with the association's policy of improving its service to the public.

Commissioner Williams, Mississippi, conducted the session. In addition to Commissioner Blackall of Connecticut, association president and other committee members, Commissioner Taggart of Pennsylvania, Gontrum of Maryland, Sims of West Virginia, and Deputy Commissioner Harlan Justice of West Virginia sat with the committee. There was considerable discussion of the program for the Detroit meeting, June 9-11.

Superintendent Pink of New York was host to the executive committee at luncheon the first day. He and Deputy Superintendent McLoughlin attended some of the sessions.

J. S. Reber, assistant superintendent of agencies of Travelers, has been visiting Texas agencies.

N. Y. Congress Presents Practical Selling Points

(CONTINUED FROM PAGE 7)

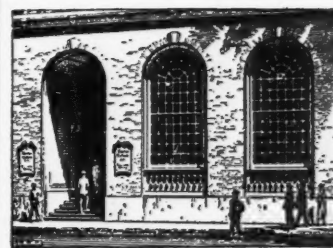
ize burdens and I believe it should. It can redistribute the products of industry. It can enlarge opportunity. But it cannot make security, for 'made' security is as false and impermanent as 'made' work. Essentially the individual makes his own security.

"Security can come only from a productive and free economic system. If ever there was a business whose very existence depended upon a free, economic system, it is life insurance. The basic theory of life insurance is interwoven with the theory of a free economic system. Too often when government attempts to provide insurance, what it provides is not insurance; it is something else. That is true of what is called social security. It is true of old age pensions. It is true of unemployment compensation. It is true of workmen's compensation. What the government is doing is to distribute money collected by compulsion and paid out or given for social purposes the community wishes to accomplish. That is a process that government can perform. But in the last analysis it is not insurance as insurance has come to be understood in America."

Opposes Federal Control

Speaking in opposition to federal control of life insurance, Mr. Moley said: "In the life insurance business we well know the salutary nature of regulation by the states. We know out of the experience of the past 35 years that one of the outstanding successes of government in the United States has been the work of states in protecting the rights of policyholders. It is hard to understand why, in the face of that record, there should be a demand for shifting to an already overburdened federal government some of the regulatory details and responsibilities with reference to life insurance.

"Such shifts ought to come when there is an incontrovertible need for them. They should not come because some person or small group of persons has a theory that it would be better to have the shifts occur. In the whole history of our nation the transfer of powers from the states to the nation has been made successfully only when specific necessities have lighted the way. I have not yet found in any of the facts of the present day life insurance situation reason for concluding that the time has come to say that state regulation has not succeeded. Never has there been a business with so



The Boston Mutual LIFE INSURANCE CO.

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An old New England company of high character and standing. It is known for its conservative management and strength.

JAY R. BENTON, President
EDWARD C. MANSFIELD,
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HOME OFFICE

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The Colonial Life Insurance Company of America

Incorporated 1897

Forty-three Years of Satisfactory Service in Protecting the Family.

"Because there is a tomorrow, we serve today."

HOME OFFICE—JERSEY CITY, N. J.

healthy a relation between private enterprise and public regulation. As a policyholder I don't want to see that balance destroyed."

OBJECTIONS PANEL

A panel of experts dealt with typical prospect objections.

With the prospect who says "I buy only term" P. A. Peyser, general agent Manhattan Life, is careful not to disagree but tries to draw the prospect out as to his reasons, saying that "when a successful business man like yourself says that he buys only term you must have given thought to the matter." He does this after getting the man's signature on a term application and apparently being reconciled to accepting the business on that basis.

Then he tells the prospect, "please notice that I advance no arguments against your choice of term. I have a term policy myself. Here it is and read what I have written across the face, 'my most expensive and least satisfactory policy.'" He shows the prospect a 10-year net cost comparison, which with the deduction of dividends and surrender values is greatly to the advantage of ordinary life. He asks the prospect whether he can invest the difference in premiums so as to offset the difference and then adds:

"One thing more. You said you expect to need this protection for only 10 years. If you find you need it for longer, up go your costs still further, provided you can get the protection. If I need the ordinary for more than 10 years, down go my costs. The longer I have it the cheaper it is. Shall we insert the words 'ordinary life' in place of term?"

Handling Scared Prospect

"Isn't it better for us to take a chance on being able to pay the premium than it is to ask your family to take a chance on being without the principal?" is the question that W. H. King, supervisor New England Mutual, asks the prospect who objects on the ground that he does not want to commit himself to future payments because of the uncertainty of the general outlook. Mr. King stresses life insurance as the antidote to uncertainty. If there were no such thing as life insurance and a man wanted to leave his family \$10,000 he would have to put away \$20 a month for 42 years in order to accumulate it. Even if the interest were earned on these deposits, it would take the greater part of a lifetime and still the greatest uncertainty of all would remain—the question of whether he would live long enough to accomplish his aim.

"Why risk the struggle of a lifetime and still have no guarantee of security for your family when you can create this estate for them immediately with us?" is the question which he puts to such prospects, and then emphasizes the live, die, or quit value of life insurance.

Relies on Social Security

There are three reasons for the prospect telling the agent that "my social security and group insurance cover me adequately," said G. G. Steiner, Aetna Life. These are a defense mechanism, misinformation, or an honest feeling that the program he carries actually covers his family needs. After analyzing these reasons Mr. Steiner said he explains the social security benefits by using a printed form and shows what social security will do for the prospect's family, for the prospect, and for his wife after she is 65. Then he demonstrates how the social security program ties in with his present insurance and from there the presentation goes directly into the insurance program data with the aim of presenting a comprehensive plan of coverage.

When the prospect objects because of inflation it is important to make sure that inflation is his only objection by asking him, "If you can be sure things would stay as they are, would you buy?"

said H. W. Baird, agency assistant Northwestern Mutual Life, Brooklyn. It will be found that the prospect fears either the "all-out" type of inflation as in post-war Germany in which case he can be shown that this is impossible because of America's resources; or that he is afraid of credit inflation with a rise in the price level perhaps even doubling.

In the latter case he needs to be shown that we have always had credit expansion and contraction, inflation and deflation and this will no doubt continue in the future. However, while the national debt has increased national assets

have also increased, consequently there is little ground for worry and no definite inflationary trend is in evidence yet, as is shown by price levels. If the prospect really believes that we in for inflation of a type which would double the price level, the only answer is to have twice as much life insurance. Closing should be on the question, "do you want to buy twice as much now or do you want to wait to buy the extra amount when the trend becomes more evident?"

How to Surmount Sales Resistance

If the prospect refuses to buy life insurance because he prefers U. S. government baby bonds, E. P. Donovan, Massachusetts Mutual, agrees with the idea but points out that in buying any bonds circumstances should be considered: (1) The guarantee that the full face value of the bond will be available to your heirs without delay or depreciation. (2) If you need to use these bonds as collateral will they have a guaranteed collateral value at all times? (3) That your beneficiaries can receive proceeds in the event of your death in installments at a guaranteed rate of interest without reinvesting? (4) Will they be tax free to your heirs? (5) Will the value of them be judgment-free against any judgment involving you, your estate, or your heirs? (6) At maturity will you have to reinvest them before you receive a life income or will you receive a life income from them guaranteed to you at the time you purchase them?

"If the bonds you intend purchasing fulfill all these requirements, my advice is for you to start purchasing them today, but life insurance is the only means of savings I know of that will give you all these safeguards and guarantees," Mr. Donovan tells the prospect.

"Can't Afford It" Objection

When the prospect says "I can't afford to buy more life insurance," J. E. Spence, Penn Mutual, finds that one or more of the following points are usually effective:

1. "Since you don't expect to buy any life insurance and since I make my living selling life insurance, anything I might say must necessarily be to your interest. If I could increase the guaranteed amounts payable under your present insurance 20 percent without additional cost and without medical examination you certainly would be interested, wouldn't you?"

2. "Suppose your income were reduced \$2 per week, you would get along, wouldn't you? Why not use this to protect your family and yourself in old age?"

3. "Are you saving any money at present that will take care of your family in case of death and of you in your old age? What more can you ask?"

4. "If your fire insurance on the house ran out could you afford to renew it?"

5. "There are some things in life so worth while it is a question whether we ought to count the cost too carefully."

6. "If your father said, 'Son, will you take care of me—it will cost 50 cents a day?' would you say, 'No, I can't afford it?' Some day you are going to have an old man to take care of, not your father but yourself. Why not invest 50 cents a day to take care of him in his old age?"

"Independent" Counsellor

To the prospect who objects to buying because he has had his insurance analyzed by an independent organization J. H. Bray, Home Life of New York, first asks the question "independent of whom?" The prospect may think that being independent of insurance companies and consequently able thereby to give impartial service may be an important point, but Mr. Brady feels that he serves best who at all times remains

cognizant of his obligation to both the insurance companies and to his client. "Only the real underwriter is competent to give disinterested advice for the benefit of both the company and the insured, for the relationship is purely mutual," he said.

In certain types of situations some independent advisers with every good intention but because of ignorance of insurance principles have advised dropping good insurance, a very dangerous procedure and one to be followed only under extreme circumstances. He told a glaring example of following the advice of an independent organization. A man dropped a large amount of insurance with the old disability feature and later became totally disabled. A well-grounded and experienced agent would have advised against this.

WAR AND INSURANCE

New sales opportunities that life underwriters will find in the months and years immediately ahead were described by James A. McLain, president of the Guardian Life at the New York City Life Underwriters Sales Congress in New York this week. He said among other things:

"Our immediate market among the young men who have been and will be called to the colors for training, will shrink. But offsetting this contraction in one direction will be an inevitable expansion in another through increased employment of older men and generally higher levels of employment for both men and women than industry has enjoyed in some years. So from the viewpoint of numbers alone our market should, if anything, be affected favorably."

"While we know that the average citizen will have fewer and fewer surplus dollars to spend for commodities and services which lie beyond the demands of his immediate standard of living, we also know that war or no war life insurance is the instrument whereby, in the American way, the living head of a family may satisfy his desires to guarantee the necessary money to his family in the event of his death. In no other way can the average man provide from the shrinking margin between income and outgo so large and so safe a measure of protection as can be arranged for him by the good life underwriter."

"The skilled underwriter is going to find it easier, not harder, to have constructive interviews with serious, thoughtful prospects whose appreciation of our product and services is being intensified by our large emphasis on security. When serious days are ahead, men more seriously review their affairs and their plans for the future of themselves and their families."

Record of Last War

"At the outbreak of the last war, many of us imagined that the demand for our services would be greatly restricted. As a matter of fact, we were dead wrong. In 1915 people of the United States purchased 6.5 percent more life insurance than in the previous year; in the two following years the increases in purchases amounted to 23.5 percent and 15.9 percent. Then a real boom demand for life insurance developed. In Canada, a nation at war

throughout the year, citizens purchased in 1940 just as much insurance as in the previous year. In those more populous eastern provinces which compare more nearly to our own situation here, more life insurance was purchased last year than in 1939."

Lloyd Patterson, general agent Massachusetts Mutual, association president, paid tribute to the work of H. E. Morrow, Penn Mutual, who was head of the New York association in 1924 and is now chairman of its past presidents' group.

"No man has contributed more toward keeping up and fighting for the high standards of this business," said Mr. Patterson, "and no man has set a better example to the man with the rate-book. No one has maintained a better one-man public relations bureau of greater acceptability to our wondering public than he."

Connecticut State Congress Develops Helpful Ideas

(CONTINUED FROM PAGE 15)

tesy" of an examination.

In answering the "runaway" inflation objection, Mr. Spence points out that it is unthinkable that we will have anything resembling the German inflation in 1923 because we still have a large volume of unemployment, we have a considerable amount of unused plant capacity, and we have an abundant supply of raw materials. Besides, the demand for consumption goods is being restricted to prevent prices from increasing and bringing on inflation.

As to inflation, men are increasing their insurance today because of its possibility. We have had inflation from time to time over the last 25 years. In 1915 the dollar bought 10 units according to the Standard Wholesale Price Index. In 1920 the dollar only bought 5 units. But in 1915 there were 20 billions of insurance in force and in 1920 there were 42 billions in force. Men go ahead regardless of the value of the dollar.

Life insurance is the best inflationary investment. Assuming a premium of \$25, in the event death occurs in the first year, the return equals 3900 percent; in the fifth year, 700 percent; tenth year, 300 percent; and twentieth year, 100 percent. In addition you put in all kinds of dollars but at maturity you or the beneficiary can leave the dollars with the insurance company and not withdraw them until the dollar is more valuable.

Assuming that you owned a house worth \$10,000 today and you had approximately \$10,000 of fire insurance, but through inflation you found it would cost \$15,000 to rebuild the house, would you not go out and purchase an additional \$5,000 of fire insurance?

To the young man who won't buy because of the war, Mr. Spence's advice is to take out some insurance and carry it as long as he can but if he is drafted some member of his family will be glad to carry on with the deposits.

To the prospect fearful of income taxes Mr. Spence says "you are right, but about the only way you and I will be able to leave an estate is through life insurance. If you buy a \$10,000 policy you might only deposit four or five thousand and then your beneficiary will get \$10,000 on which there is no income tax. If your income taxes are going to be higher, I am afraid that you will need a larger clean-up policy because we always figure at least one year's income tax to settle a man's estate in case he dies in the middle of the year."

Equitable Society—During the first two months there was a gain of \$10,000,000 in ordinary in force and of \$40,000,000 in group.

John H. Weber, general agent Midwest Life, Denver, ranked first in new paid for and in written business for February among midwest representatives. The agency stands in fourth place in the company.

Sales Ideas and Suggestions

Maximum Sales Information Presented in Minimum Time

DETROIT—With a record attendance of nearly 400, the annual sales congress of Qualified Life Underwriters of Detroit brought out a maximum of usable information in a minimum of time. A large number of short talks and demonstrations under a plan worked out by Jay L. Lee, manager Phoenix Mutual, general chairman, proved popular.

After group singing led by W. A. Doyle, past president of the Detroit and Michigan Associations of Insurance Agents, and an invocation, Vice-president L. E. Malone, Sun Life, as master of ceremonies presented President W. A. Post, Connecticut General, who welcomed visitors from Windsor, Toledo and outstate cities.

"Information Please" Symposium

An "Information Please" symposium was staged by the Detroit C.L.U. chapter, under the direction of H. N. Phillips, Sun Life group manager and C.L.U. vice-president. R. E. Stringer, State Mutual, C.L.U. chapter president, was interlocutor, firing unrehearsed questions at a board of experts consisting of C. F. Hibbard, Northwestern Mutual; E. P. Balkema, Northwestern National; J. R. Kennedy, New England Mutual; F. A. McCartney, Equitable Society, Lansing; H. B. Ruhl, Massachusetts Mutual; L. L. Mackey, Home Life; B. H. Micou, New England Mutual, and W. F. Szwed, Prudential.

Question: What do you tell your prospects about inflation when they bring up the subject?

McCarthy: Inflation does not always mean the same thing to every prospect. If by inflation is meant a sharp rise in commodity prices, we shall probably have it, but it is not an obstacle to the purchase of life insurance but an additional reason for buying it.

If a man has a dollar it will always buy him something, and if the value of that dollar is less, he will therefore need more rather than fewer of them, so if he believes that inflation is on the way, his best hedge against it is to buy more life insurance.

Is it advisable for the average underwriter to handle pension and bonus trust cases?

Micou: The time for the average agent to specialize in pension and bonus trust cases is about six months before he plans to retire from the business! These cases require so much time in preparation and study and carry so large an element of gamble for the agent that he would do well to avoid them. The average agent should do the contact work on them only and leave the preparation and closing to a man experienced in such cases, on a joint basis. It will be more profitable in the end if handled in this manner.

Just how important to the underwriter do you consider prospecting to be?

Ruhl: Prospecting is by long odds the most important part of our job. Too many underwriters have plenty of suspects but not enough good prospects. A man is not a prospect until you know enough about him to make a proposal to cover a need that you know he has, and until you know he has the money to pay for the insurance. A man may be a good prospect for you but not for me. Some men can sell one type of prospect much better than another and

each agent should stick to the type of prospect he can sell best.

Do you plan to see so many people each day or how do you plan your work?

Kennedy: I list 40 persons whom I would like to see each week. Then I see as many as I can. I do not make out a separate list of calls for the day, but work each day from the weekly list. This works out more satisfactorily for me. Among the names are policyholders having age changes, spotted a month or so before the change. It is absolutely essential for me to make out such a list in order to do a good day's work each day.

What do you consider the life underwriter's most important personality characteristic?

McCartney: There are three essential characteristics: vision, understanding and stability. Out of these three all of the minor characteristics arise.

Do you make use of age changes?

Hibbard: I maintain a complete age change file so that each change comes up automatically a month before it arrives. This is a very important tool for the underwriter who wants to get ahead and to hold his policyholder's future business.

When an objection is raised by a prospect, do you answer it at once or delay the answer?

Balkema: That depends on the objection and what we are talking about. Sometimes it is best to answer objections fully and completely at the moment they are brought up, and then again it is best to avoid the direct answer until it will work in at a more favorable spot in the sales talk. Every objection should, of course, be answered fully at some point in the interview. Much depends on the man to whom you are talking. It is important never to ruffle the prospect, to avoid contradicting him openly, to attempt to turn objections into sales points whenever possible. It is equally important never to stop talking immediately after answering an objection. Continue the conversation, by all means. Don't give the prospect time to argue the point.

How many lives should an underwriter cover each year?

Kennedy: For me the figure runs from 40 to 45. I take off my hat to the man who can keep up consecutive weekly production over a long period of time; I never could do it. Perhaps I work on too high a calibre of prospects. My prospects are chiefly well-to-do men and this class of business results in fewer cases per year but a larger average per policy and usually, I believe, stays on the books longer. This of course is a problem that each agent must work out for himself.

Do you consider it important to plan for your own future?

McCartney: It is unquestionably most desirable to plan your work and your objective years ahead, but the best guaranty of a good future business is to do a good day's work today and every day, in which case the future will pretty well take care of itself. Probably the most important feature of a plan is to include a maximum of programming, which is a great source of future business. Few people can buy as much in-

surance today as they will eventually need to take care of their needs. Maybe they can buy only 25 or 30 percent of what they need, but if they are sold on the program and on the present policy as simply a step in that program, then no other agent can get the future business away from you. It is also necessary to plan to see a goodly number of young people regularly so that their future needs will be a source of business for you over a long period of years. Too many of us old-timers neglect young lives.

Just how important is planning your work?

Mackey: Success depends on a combination of many factors. Not the least of these is on planning one's work, so he can get over a maximum of ground each day. Many fail to make a good living simply because they do not talk insurance to enough people each day. The answer to that problem is usually planning.

Our business is like a manufacturing plant with many departments. If there is a halt in production in one department, it may create a bottleneck that slows down production throughout the plant.

What age group offers the best possibilities for the underwriter today?

Kennedy: This is a factor that depends on the individual. A man can be successful in any age group if he is a go-getter. I find the group from 40 to 45 the best for me, perhaps because I like to talk to men of my own age and because most of my friends are in this group. Men in this group are usually well established in life, have a near-peak earning capacity and have tax problems and children's educational problems and the like that can best be solved by life insurance. They are getting to the point too, where retirement income begins to interest them in more than an abstract way, and are more keenly conscious of what might happen to their families in case they are taken away than the younger groups are. Men in this group usually realize that most of them cannot hope to accumulate enough to live on comfortably in their declining years without the aid of insurance.

Do you find illustrations useful in selling life insurance?

Balkema: I have always been an advocate of visual selling. I use a chart for finding needs and pictures to illustrate various life situations that help to bring home to the prospect the need for covering his own needs with insurance. I also use a typewritten illustration of the prospect's own case as an aid to getting the application, and find these visual methods very productive.

How do you keep in close contact with your policyholders?

Mackey: Far too many underwriters are guilty of the crime of writing a case and then forgetting the policyholder. I use a number of mechanical aids in maintaining close contact with my clients, such as birthday cards, age change cards, direct mail circulars occasionally and every month I send each of them a copy of our house organ which carries my name printed in a corner of the front page. I believe that all of these things help to maintain contact, remind the policyholder that I am thinking of him and help to urge him to think of me when he needs more insurance. They are good prestige builders, and all of us need all of the prestige we can generate for ourselves with our clients. I also make it a rule to have luncheon with a prospect or policyholder every day that I can pos-

sibly arrange it, and likewise do some entertaining in my home for the same reason.

Do you believe that personal advertising pays?

Balkema: I certainly do. I believe that it is good business for the agent to get out calendars for his clients each year. Many find blotters useful. Another thing that some agents do very successfully is to issue bulletins to their clients at intervals calling attention to changes in the various tax laws. I believe this is excellent personal advertising. Advertising specialties such as pencils bearing the agent's name, business and phone number are good. A number of my agents in smaller communities use local newspaper advertising successfully and without excessive cost, but I do not think this procedure practical in a large city where the advertising rates are high.

Which is the more necessary to success, self-motivation or technical knowledge?

Mackey: By long odds, self-motivation is the more important. A man who has not the vision and ambition to motivate himself to do a decent day's work will never be successful in our business no matter how much he may know about insurance. I don't mean to say that technical knowledge is undesirable; simply that self-motivation is by far the more important of the two. An adequate knowledge of insurance and what it will do under various circumstances is essential. Technical knowledge alone will not make a man a success in this business, although strong motivation with a minimum of knowledge can. There should be a balance between these two factors for unqualified success. It is an indictment of our business that the average agent reaches the peak of his earnings in five years after entering it, and then levels off. He should continue to forge ahead for many more years. I urge you to guard against this hazard in your own business. To earn more, learn more!

Do you consider personal service to policyholders important?

Micou: Very important indeed. Every agent should stress personal service to his clients as a means of building for the future. I get at least 50 percent of all my business from present policyholders. I rarely stress dividends in selling since this procedure invites competition and gets the prospect's mind on the matter of the cost of the insurance when he should think about the benefits of it instead.

What would you do if you were starting over again in the insurance business?

Micou: Let my prospects do more talking. It took me years to learn that the best way to sell is to draw the prospect out and get him to talking rather than to monopolize the conversation yourself. Letting the prospect talk draws him closer to you and establishes a more friendly relationship, and after all much of the business is bought on a personal basis rather than on a company basis.

Should there be a relationship maintained between the cost of doing business and the amount of business done by an agent?

Ruhl: There certainly should be if the agent wants to get anywhere. Too much time is spent on presentations for small cases that are not worth the time. Too often we spend a lot of time on a poor prospect when we might better spend it on a better one. A lot of time spent on a worthwhile case is a

good gamble, but it never pays to spend a lot of time and money on a small case. I don't mean to infer that we should not write small cases; I simply mean that it does not pay to spend too much time in selling them.

* * *

Is the new social security set-up a help or a hindrance in the selling of life insurance?

Phillips: The new amendments to the social security act can be used as a help in selling insurance and are in themselves a help because they tend to educate the public to the need for protecting life values. Less than 10 percent of the men covered by social security have any but the vaguest idea of what it will do for them. Some feel that it is just a wild idea that will not benefit them personally, while others believe that it solves all of their retirement problems. Social security can be used as an effective approach since there is so much ignorance of its true scope.

* * *

Do you feel that there is any value in cold canvass as an approach?

Szwed: Much more use should be made of cold canvass as a means of getting new prospects and selling more insurance. There is a limit to the possibilities of selling new insurance to old clients. We all need new blood in our prospect list, and cold canvass is one of the effective means of obtaining this transfusion. Many of the 1,500,000 persons in Detroit have never been called on by a life insurance agent. Cold canvass is the only means of reaching a lot of these people.

As a prospecting method it is neither as pleasant nor as easy as some other methods, but it works, and that is the main thing. It does much to keep the underwriter from getting stuck in a prospecting rut, too, and keep his wits sharpened. I feel that every agent should spend a few hours a week, at least, in cold canvass.

* * *

Does the salary savings plan offer an opportunity for sales?

Phillips: Salary savings is a fine plan, combining as it does the best features of individual life insurance, savings and group coverage with salary deduction to make paying the premiums easy. It offers a real sales opportunity.

* * *

Do you find circulars or preapproach letters useful?

Balkema: I believe in the use of these sales helps. Most home offices supply letters under the signature of a home office official that serves as a good introduction and as a prestige builder, and also serves to create interest in some specific type of insurance contract. A personal letter from the agent calling attention to a special need and stating that he will phone for an appointment is also an excellent preapproach step. Figures show that a higher percentage of appointments are arranged when a preapproach letter is used. However, we must not fall into the error of believing that the letter will do the selling; we still have to work to close the case!

* * *

What is your method of prestige building?

Kennedy: I believe that the greatest prestige building is doing a good job for our clients. If a policyholder is especially well pleased he will mention us to his friends and neighbors. Getting letters of recommendation from our clients helps much in building prestige and creating confidence with prospects. An entire honesty of purpose and a desire to be of real service to our clients will make it easy to get such letters. Participation in community and civic affairs is a good prestige builder, too.

* * *

Is the telephone useful in selling life insurance?

Hibbard: I never solicit insurance over the telephone but I do make plenty of use of it for saving time in securing interviews. A telephone approach makes a good impression and is businesslike

and usually results in a more favorable condition for the interview. It is most effective with policyholders but can also be used to good advantage with new prospects, if the approach is carefully prepared, and particularly if preapproach letters have been used.

* * *

Do you believe in an organized sales talk?

Phillips: Yes, in an organized sales talk as opposed to a canned sales talk. I believe that the latter has a definite value to the beginner but that the experienced underwriter will do better with an organized talk than one of the canned variety. The organized talk may draw more or less heavily upon a canned talk for its material, but should be flexible. I believe, too, that human interest stories have a very definite and important function as a part of a well organized presentation.

* * *

Do you use the family income contract extensively?

Ruhl: I use the family maintenance rather than the so-called family income contract. That is to say, a contract that has 20-year term included, but not decreasing term. I feel it is a better contract for the policyholder and also for me, since I have 20 years in which to persuade the policyholder to convert the term portion of the contract into a more substantial form. The family maintenance policy covers a definite need where the head of a family needs more protection than he can pay for in the higher premium forms at the time. I believe in such cases it is better to give the policyholder the protection he needs rather than to sell a lesser amount of ordinary or other type. It is also useful as business insurance and for educational purposes.

* * *

Do you set a quota for yourself?

Micou: I set a yearly quota and then break it down into months and also break it down by types of contracts the prospects need. I enter into competition with myself by contrasting my results each month with the same month of last year and of other previous years, striving always to beat last year and if possible to break all records for the same months of all previous years. This method keeps a man always on his toes.

* * *

Do you use your own insurance program as a sales argument in your selling?

Szwed: Yes, and I find it very impressive to the prospect. If the prospect sees that I believe in what I am selling to the extent of putting plenty of my own money into it, he is more inclined to feel that it would be good for him, too. It creates confidence. The average man believes that an insurance agent should be the first to "take his own medicine"—and rightly so.

* * *

What is your formula for success?

Szwed: The formula for success in this business, as in any other business, is the ability to make friends coupled with a thorough knowledge of one's product and common sense.

* * *

Are settlement options important in selling?

Hibbard: I consider them extremely important not only in selling but in keeping the policies on the books after they are sold. I spend time in every selling interview calling attention to the need for providing for settlement under option rather than in a lump sum and sell insurance on an income-producing basis. This method makes the program seem more attractive to the buyer than when sold on other bases.

* * *

What are the real problems in the insurance selling field today?

McCartney: The problems today are pretty much the same as they were 10 or 20 years ago. Many problems which we thought were vital a few years ago are not so significant in retrospect. Today's special problems in

a few years will probably seem just as insignificant.

The major problem today, as in the past, is fear. It is a problem that the agent must overcome for himself. If he cannot conquer his fears he might just as well get into some other line of business.

PANEL SESSION

A series of action panels was presented by Staff Hudson, associate general agent Aetna Life. With the aid of E. R. Tonkel, supervisor, and George Behrns, agent, a series of sales demonstrations showing the proper approach, qualifying interview, sales interview and close were shown in action.

At the luncheon H. B. Thompson, secretary-counsel of the managers and state association, introduced Commissioner Berry, who declared that licensing is one of the important functions of the commission. The department is making an honest attempt to keep dishonest and incompetent agents out of the business, he asserted.

Harry Wright Talks

H. T. Wright, Equitable Society, Chicago, president National association, pointed out the marked growth of the business since 1900, calling attention to the fact that the average insurance owned is still \$1,800 per person or about \$4,000 per family for the country, leaving plenty of future expansion possible.

He urged agents to avoid spending time on "professional procrastinators,"

Mass Production Methods Told

O. E. Carlin, John Hancock, Columbus, Million Dollar Round Table member, talked on "My Mass Production Methods." "You can get in to see almost any man living if you have something definitely helpful to offer him," he asserted.

"Tell your story clearly, concisely and above all, simply. Don't give too many details; they only serve to confuse the prospect, Mr. Carlin urged.

Mr. Carlin contacts a large number of prospects on a definite schedule. There is always a best time to see every prospect, so he makes it his business to see that man at the most favorable time, whether it is 7 a. m., during the noon hour or at midnight. It is these factors that have enabled him to build a business in a few years to his 1940 record of over 500 cases for more than \$3,000,000, with nearly \$2,000,000 of brokerage additional.

Civic Work Pays

In getting prospects, Mr. Carlin advocated civic work as an excellent means of getting known in the community and getting prospects. When the Junior Chamber of Commerce in Columbus put on a membership drive, Mr. Carlin volunteered for the work. He called on many factories and businesses, got lists of up-and-coming younger executives from the heads of the businesses, called on them for memberships and thereby got 1,800 excellent prospects for insurance. Many of these young men have since become his policyholders.

He also uses various business and professional directories, tax records, lists of graduates of colleges and the like. He has 147 different sources of prospects, he declared, and has a great many more than he will ever be able to see. He collects as many names of men of the type he would like to sell as possible and then qualifies as many as possible and sorts them by type of contract that should be best fitted for their needs.

File With Him at All Times

Mr. Carlin showed a steel filing cabinet in which he keeps his prospect file. It is always with him wherever he is. He divides the prospects by classification and then decides how much he should sell in each classification, and keeps after it until he sells that quota.

and said two or three calls on one prospect are enough. The main difference between a big producer and a mediocre producer is in the mental attitude, he said. Before each interview he endeavors to sell himself on the particular policy he plans to promote, putting himself in the prospect's shoes.

Speaking of inflation, Mr. Wright said that the wholesale price index of commodities show that "we are little nearer an inflationary condition today than we were in 1937."

He urged agents to see more prospects in the agent's own office, where the agent can dominate the interview psychologically. Mr. Wright closes at least 60 percent of his cases in his own office. He discussed the movement toward revision of commissions to benefit the career man. Companies have been remiss in not cancelling many of the contracts in force with agents who produce \$30,000 or \$40,000 of business annually, he said.

Playlet is Presented

H. Ben Ruhl, Massachusetts Mutual and QLU vice-president, presided at the afternoon session. The curtain-raiser was a playlet entitled "Agent Barth Programs With Social Security," presented by Humphrey Marshall, Metropolitan Life, and enacted by a cast of Metropolitan field service men from New York—W. J. Wernecke, M. M. Guoin, T. E. Cherry, Jr., and G. J. Pullman. The playlet demonstrated the right and wrong way to service clients and showed how an agent may utilize the social security program as an aid to building life insurance programs.

He has always made these quotas because he does not let up on that particular classification until he has achieved the goal. This, too, has made it possible for him to increase his sales considerably each year. The large producer, he declared, is the small producer who has a sound plan.

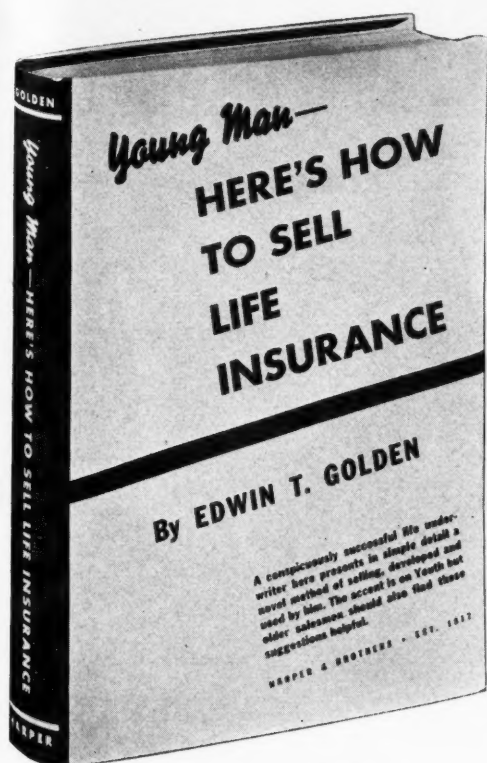
Specializes on Classification

When he sets to work on a particular classification, he drafts a letter dealing with this particular type of policy and mails it to all prospects in the classification, paving the way for an appointment phone call. He includes a return postcard with the letter and calls first on those who return the cards. These are reasonably sure sales, he finds, and become centers of influence in the groups. At the outset of the first interview, he tries to establish a connection with some friend of a policyholder as a means of introduction. He always carries and shows his large list of policyholders. This, he finds, does a great deal to build confidence in his ability to diagnose and prescribe for their own insurance needs.

In the interview he tries to develop as many different needs as possible and then concentrates on the one need that seems to appeal to the prospect as the most vital for him. He hammers on this need ceaselessly during the balance of the interview. He always points out that one's life insurance should be placed in the budget immediately after food, clothing and household expenses—so that it comes in with the essentials rather than the luxuries.

Protect Drafted Agents' Business

COLUMBUS, O. — Superintendent Lloyd announces that arrangements have been made to protect draftees who are licensees of the department through special contracts between a drafted agent or solicitor and another agent to protect the business of the drafted licensee. Such contracts are to provide, in addition to the ordinary terms, that the person servicing the business for the draftee is to return the business intact on demand of the draftee and under no circumstances is to write any part of it for his own account during the period the draftee is in service or during the period of five years afterward.



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F. W. Floyd, general agent Columbian National Life, Philadelphia; H. D. Shaw, Continental American Life; and A. H. Reddall, assistant secretary Equitable Society and chairman program committee; all of whom addressed the Life Advertisers Association's meeting in New York.



At the Life Advertisers Association's eastern round table meeting in New York City: Miss Margaret Divver (left), John Hancock; Miss Beatrice Jones, manager woman's division, Wilson Agency of Equitable Society, New York City, who spoke on "Reaching Women's Market," and Miss Mary Barber, Penn Mutual.



A. H. Reddall, assistant secretary Equitable Society and chairman program committee, and F. J. Price, Jr., associate manager advertising department Prudential, at the Life Advertisers Association's eastern gathering.



Among the notables at the Washington, D. C. C. L. U. dinner were Roger B. Hull (left), managing director National Association of Underwriters, and Sumner T. Pike, Securities & Exchange Commission.



C. C. Loeb, assistant to president Presbyterian Ministers' Fund; A. F. Sisson, advertising director State Mutual Life; and A. H. Thiemann, New York Life, all of whom conducted round table panel discussions at the Life Advertisers Association's parley.



Richard Rhodebeck, superintendent of agencies United States Life, who conducted a round table discussion on sales promotion material before the Life Advertisers Association's meeting in New York; C. Sumner Davis, editor of publications Provident Mutual, and president Life Advertisers Association; and S. M. Gamble, agency assistant Massachusetts Mutual who addressed the general session.